1988 in Figures

	1988	1987
* Workers covered	2,452,161	2,412,512
Employers' files	176,561	171,118
Establishments	194,940	189,509
Requests for prevention-inspection interventions	19,652	19,794
Assistance, evaluation, and control	13,299	14,287
Investigations of accidents	739	724
Interventions following complaints	5,299	4,557
Applications of the right to refuse	299	209
Disputes	16	17
Prevention programs submitted[1]	3,146	3,483
Health programs received[1]	3,613	1,884
Health and safety committees formed under the Act[2]	676	820
Files opened following employment injuries	261,905	263,889
Accidents involving time off work, accepted and compensated[3]	213,438	215,744
Other accidents[4]	41,750	43,001
Occupational diseases accepted and compensated[3]	2,429	1,547
Other occupational diseases[4]	4,288	3,597
Deaths occurred	129[5]	145[6]
Benefit claims under the right to protective reassignment of pregnant or breast-feeding workers	16,113	14,337
Active annuities during the year	37,272	43,063
Average assessment rate	$2.75	$2.50
Maximum annual insurable earnings	$36,500	$35,500
Employer assessments	$1,437,703,000	$1,186,237,000
Investment income and interest on assessments	$315,195,000	$247,076,000
Total expenditures of the Commission	$1,479,072,000	$1,422,906,000
Compensation programs[7,8]	$1,250,477,000	$1,226,555,000
Prevention programs	$68,291,000	$64,626,000
Administration expenses[7]	$140,482,000	$114,863,000
Other expenses	$19,822,000	$16,862,000
Rate of capitalization	57.91%	51.65%

1. Establishments of 21 workers or more, Groups I, II and III.
2. Establishments of 21 workers or more, Groups I and II.
3. Includes files opened during the year, and in which a death was noted.
4. The other categories mainly comprise injuries not involving time off work, refused claims, and claims still being processed.
5. This figure includes 117 deaths relating to industrial accidents, and 12 to occupational diseases. According to data compiled by the Commission's Prevention-Inspection Services, the number of fatal accidents in the workplace rose to 108 in 1988, and caused 114 sudden deaths.
6. The 1987 Annual Report listed 163 deaths: 18 occurred in 1986 and 145, in 1987.
7. Excluding extraordinary items and costs assessed to the Federal and Québec governments, and employers held personally responsible for the payment of claims.
8. Including the protective reassignment program for pregnant or breast-feeding workers.

* The masculine used in this report applies to women as well as men, wherever applicable.

ANNUAL REPORT 1988

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1988

CSST

Commission
de la santé
et de la sécurité
du travail

90-02050/

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Mr. Pierre Lorrain
President of the National Assembly
Québec

Mr. President:

I have the honour to present you the Annual Report of the *Commission de la santé et de la sécurité du travail du Québec* for the year 1988, as submitted to me by its President and Chief Executive Officer.

Yours very respectfully,

Yves Séguin
Minister of Labour
and Minister of Revenue
Government of Québec

Mr. Yves Séguin
Minister of Labour
and Minister of Revenue
Government of Québec

Mr. Minister:

In accordance with Section 163 of the Act respecting occupational health and safety, I have the honour to present you the Annual Report of the *Commission de la santé et de la sécurité du travail du Québec* for the year 1988.

Yours very respectfully,

Monique Jérôme Forget
President and Chief Executive Officer

TABLE OF CONTENTS

Message from the President and Chief Executive Officer	VIII
Mandate and Organization of the Commission	2
Human Resources	4
Internal Audits	4
Administration of the Plan in 1988	7
Board of Directors	9
Executive Committee	10
Audits Committee	10
Management Committee	11
Financial Statements for 1988	15
Major Achievements in 1988	34
Vice-president, Finance	34
Assessments	35
Merit/Demerit Plan	35
Commission's Financial Position at 1988 Year End	36
Management of Funds	38
Vice-president, Operations	40
Scale of Bodily Injuries Regulation	42
Accident Notices and Claims	43
Services Available to Workers and Benefits Paid	44
Benefits Following Protective Reassignment of Pregnant or Breast-Feeding Workers	46
Benefits for Victims of Crimes or Rescue Acts (Good Citizenship)	48
Introduction and Operation of Prevention Mechanisms	48
Commission Interventions	49
Redress and Conciliation	49
Vice-president, Planning and Programs	51
Occupational Health and Safety Information	51
Consultation, Evaluation of Programs, and Planning	52
Prevention and Inspection Programming	54
Rehabilitation and Compensation Programming	56
Vice-president, Liaison with Beneficiaries	57
Vice-president, Services	59
Human Resources	59
Material Resources	59
Legal Services	60
Commission's Review Process	61
APPENDICES	62
Statistics by Economic Sector (1988)	64
Statistics by Region (1988)	66
Income, Expenses, and Other Financial Statistics (1979-1988)	69

LIST OF TABLES

1. The Commission's Operating Structure 5

2. Merit or Demerit Calculated in 1988 35

3. Commission's Capitalization Level from 1979 to 1988 37

4. Distribution of Commission Funds Entrusted to the *Caisse de dépôt et placement du Québec*, according to their Realizable Value, on December 31, 1988 38

5. Commission Expenditure in 1988 38

6. Number of Files Opened during the Year, by Incident (1987-1988) 43

7. Deaths Occurred during the Year, following Employment Injuries (1987-1988) 43

8. Distribution of Benefits Paid for Employment Injuries, by Category (1987-1988) 45

9. Number of Active Annuities during the Year, by Governing Legislation (1987-1988) 47

10. Establishments of 21 or More Workers from Groups I, II and III which Have Introduced Prevention Mechanisms (1988) 48

11. Commission Interventions in Establishments and Measures Taken, by Type of Intervention (1988) 50

12. Requests for Review Received and Decisions Made by the Joint Review Offices (1986-1988) 60

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The objectives guiding the *Commission de la santé et de la sécurité du travail* throughout 1988 were the prevention of employment injuries, the provision of quality services to users, the balancing of means and ends and the final readjustments to the plan's financial situation. Because these objectives were acknowledged and fully shared by everybody, the results in 1988 have been very positive. I should therefore like to extend my sincere thanks to all the members of management and staff who have spared no effort to reach the goals we set ourselves.

Among our achievements, I would like first to point out the completion of the organization's restructuration, which concentrated entirely on user services. For example, the number of regional branches increased from 15 to 21 with the aim of improving contact with beneficiaries and employers alike. Under the new mode of operation, there is continued recognition of the specific expertise of those responsible for compensation and rehabilitation, prevention and inspection and financing, but their activities have now been combined in multidisciplinary teams, namely the occupational health and safety services. These teams, which are made up of specialists, come together as required to examine the files of beneficiaries and employers in the light of matters connected with health and safety. This is the Commission's main thrust: to implement mechanisms which make it possible to adopt an integrated approach and assume overall responsibility for health and safety in the workplace.

The Vice-president, Liaison with Beneficiaries has put this restructuration to good use by implementing mechanisms which facilitate relations between injured workers and the CSST. In addition to the careful training given to those employees in direct contact with beneficiaries, the Commission has set up information days organized around the theme "*Pour mieux se prendre en main*", (Getting it together). The purpose of these meetings is to help victims of employment injuries to learn how to cope with the period following their accident.

To ensure injured workers their right to be rehabilitated and return to work, several expedients have been adopted, including a guide on learning how to cope with rehabilitation. These expedients are designed more specifically for rehabilitation counsellors and compensation officers to make it possible for them to apply the measure most likely to encourage rehabilitation. Furthermore, with a view to facilitating injured workers' right to return to work, the waiting period for physiotherapy and remedial treatment has been progressively shortened from an average length of 12 days in 1986 to 8.9 days in 1987, down to 5.7 days in 1988.

The Commission's determination to impress on all its partners the notion of prevention has taken several forms. A wide ranging prevention campaign was aimed at those companies that had accident-frequency rates higher than the average in their particular sector of economic activity. Stepped-up prevention and inspection activities reinforced this campaign, as can be seen by the 36% increase in the

number of inspections since 1986. This short-term plan of action has produced convincing results, since the targeted companies have shown an average decline of about 12% in frequency of accidents.

Responsible for applying the Workplace Hazardous Materials Information System, which came into force in April, 1989, the CSST has trained its inspectors to be in a position to demand compliance with the System's provisions, and has also enlarged the Toxicological Index to meet the new needs of users. In addition, the CSST has concluded an agreement with the *ministère de l'Éducation* and the *ministère de l'Enseignement supérieur et de la Science* whereby all aspects relating to occupational health and safety are integrated into all professional training programs given at the secondary and college level. Along the same lines, the first competition for the CSST Prize was announced on the theme of "Quality of Work Life": nearly 350 entries have reached our regional branches, thus confirming the interest taken by the community in publicizing its initiatives and successes in prevention at work.

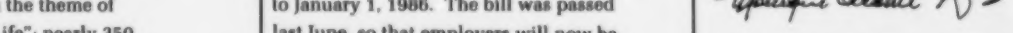
Efficient administration of the occupational health and safety plan implied the adoption of certain measures to improve the financial situation. In 1986 there was an annual deficit of 357 million dollars and there had been a major decline in the rate of funding. An important indicator in any insurance plan, this rate had been 78.3% in 1980, but had fallen to 50.1%. Failure to halt the mounting deficit and the decrease in funding could have had serious long-term consequences. Indeed the benefits enjoyed by workers could have been partially in jeopardy, while a future generation of employers would have had to pay costs chargeable to current employers. The Commission therefore undertook an exhaustive analysis of its funding problems and adopted several measures.

With the backing of its Board of Directors, the Commission raised the average assessment rate: from $2.05 in 1986, it went up to $2.50 in 1987 and up to $2.75 in 1988. For the first time since 1981, assessments collected in 1988 made it possible not only to cover the overall financial needs of the CSST, but also to increase the rate of funding which now stands at 57.9%. Furthermore, the passage of the bill modifying Section 284 of the Act respecting industrial accidents and occupational diseases has now allowed the Commission to stabilize its financial situation. It will be remembered that by virtue of this Section, the CSST could not collect more than 90% of the cost of employment injuries in a given year and was barred from increasing its assessment rate to cover its deficit or amortize the deficit of the accident fund relating to injuries sustained prior to January 1, 1986. The bill was passed last June, so that employers will now be charged the true cost of employment injuries.

Lastly, in accordance with the principle of mutuality which underlies any insurance plan, a new method of rate assessment has been proposed to employers. This method has as its aims a more equitable distribution of costs of serious accidents, and an assessment for each employer which reflects more accurately the efforts devoted to prevention. Frequent information and counselling sessions have been held with management and labour associations and the project seems to have been favourably received.

Organizational restructuration for better service to users, an integrated operation of prevention to lessen the frequency of injuries, the devising of ways to encourage rehabilitation and return to work, the improvement of the financial situation - these are the steps which over the long term will allow us to ensure that the plan will endure and work smoothly.

Monique Jérôme Forget



President and Chief Executive Officer

MANDATE AND ORGANIZATION OF THE COMMISSION

The *Commission de la santé et de la sécurité du travail* is the agency entrusted by the Government with the administration of the occupational health and safety plan. It is a joint body whose Board of Directors consists of an equal number of Québec labour and employer representatives.

In the area of **prevention**, the Commission's role is to enable workers, employers, and their respective associations to take part in improving health and safety conditions in the workplace and to fully assume their rights and obligations set out by law. Its duties involve the establishment of standards, support for the development and application of prevention programs and participation mechanisms, health services, as well as training, information and research services. The Commission is also responsible for enforcing occupational health and safety standards and regulations, as well as ensuring, in the workplace, that the rights and obligations conferred by law upon workers and employers are respected. The Commission has sole authority over work inspection and its jurisdiction extends to every aspect of health and safety at work.

Under its **rehabilitation-compensation** mandate, the Commission provides victims of employment injuries and victims of criminal acts or acts of good citizenship all the services to which they are entitled. Its responsibilities, other than the payment of benefits, include rehabilitation aimed at a return to self-sufficiency or reintegration to the labour market, medical assistance and the right to return to work. The Commission is also responsible for providing compensation to pregnant or breast-feeding workers who exercise their right to protective reassignment.

As to **financing**, the Commission has full powers, within the limits prescribed by the Act, to set and collect assessments from employers required to contribute to its accident fund. To this end, it must ensure that these employers are registered and classified for the purpose of assessment. The contributions it collects must enable it to cover the cost of accidents, the cost of prevention under the Act, and administrative and overhead expenses.

The varied mandate of the CSST is governed by the seven acts it administers:

- the Act respecting occupational health and safety (R.S.Q., c. S-2.1), which created the Commission and entrusted it with its multifaceted mandate;

- the Act respecting industrial accidents and occupational diseases (R.S.Q., c. A-3.001), which established a new occupational injuries compensation scheme effective August 19, 1985, replacing plans governed by the Workmen's Compensation Act, and the Act respecting indemnities for victims of asbestosis and silicosis in mines and quarries;

- the Workmen's Compensation Act (R.S.Q., c.A-3), which provides a compensation plan for all occupational accidents and deaths that occurred before August 19, 1985, and occupational diseases for which a claim was filed before that date;

- The Act respecting indemnities for victims of asbestosis and silicosis in mines and quarries (R.S.Q., c. I-7) setting out special compensation for mine and quarry workers suffering from asbestosis and silicosis. Those receiving a pension under this Act before August 19, 1985 continue to receive it;

- the Crime Victims Compensation Act (R.S.Q., c. I-6) and the Act to promote good citizenship (R.S.Q., c. C-20) whose compensation principles are the same as those of the Workmen's Compensation Act;

- the Government Employees Compensation Act (R.S.C., 1985, c. G-5), a federal Act enabling the CSST to determine compensations for federal employees, according to rates and conditions prescribed by the provincial legislation. The application of this Act is the subject of an agreement between the Commission and the federal department involved.

Legislative Changes

During 1988, the National Assembly adopted three noteworthy amendments to the Acts administered by the Commission.

Section 284 of the Act respecting industrial accidents and occupational diseases was amended by Bill 29, and assented to on June 17, 1988 (1988, Chapter 34). This bill amends the rule applicable to the financing of the *Commission de la santé et de la sécurité du travail* so as to enable it to collect the sums that are necessary for the payment of the benefits which will become payable as a consequence of the occupational injuries that will occur in 1989 and subsequent years and enable it to reduce the actuarial deficiency pertaining to occupational injuries that have occurred in the past.

Section 570 of the same Act was amended by Bill 74, and assented to on December 23, 1988 (1988, Chapter 66). The object of this bill is to validate the social stabilization, economic stabilization and rehabilitation benefits programs established by the *Commission de la santé et de la sécurité du travail* under the Workmen's Compensation Act.

The Act respecting occupational health and safety was amended by Bill 65, and assented to on December 23, 1988 (1988, Chapter 61). This bill amends the Act respecting occupational health and safety for the purpose of implementing in Québec a national program of information on hazardous products used in the workplace.

Court Decisions

Among the numerous occupational health and safety decisions handed down in 1988, are some which have had major impact for the Commission.

On May 26, 1988, the Supreme Court of Canada decided that the Act respecting occupational health and safety did not apply to enterprises under federal jurisdiction.

On November 17, 1988, the Supreme Court of Canada refused to hear an appeal to a May 3, 1988 decision of the Court of Appeal of Québec which made social stabilization, economic stabilization and rehabilitation benefits programs invalid, chiefly because these programs were adopted through a policy rather than a regulatory process. Bill 74 followed, to validate these programs.

On January 25, 1988, the Court of Appeal issued a ruling in the Lechasseur case (1988, RJQ 613), stating that the Commission was entitled to delegate its power to prescribe changes to the prevention program submitted by an employer. This Appeal Court ruling further confirmed that legislation on prevention programs applied to construction sites. On April 26, 1988, the Supreme Court of Canada refused permission to appeal this judgment.

On November 4, 1988, the Court of Appeal upheld a Superior Court ruling which refused authorization for class action claiming the interest on additional benefits granted by the review office and the *Commission des affaires sociales* between September 1, 1979 to August 19, 1985. On March 23, 1989, the Supreme Court of Canada dismissed the claimant's application for leave to appeal.

Commission's Operational Model

For several years, the Commission's guiding principle has been to integrate the various facets of its mandates and regionalize its services. A vice-president oversees the development of programs. Advisory directors under the vice-presidents are mainly concerned with the coordination of some of the activities carried out by regional services. Regional offices are responsible for implementing the Commission's programs and servicing the varied clientele. The Commission's new operational model emphasizes the integration of regional-office functions, mainly through the creation of multidisciplinary teams, health and safety services. Within a multidisciplinary team, each function (compensation, rehabilitation, prevention-inspection) coexists with the others, while executing its own specialized activities. These teams are supported by content specialists in prevention-inspection, rehabilitation, and compensation. In the integration of these functions lies the guiding principle of the reorganization. This promotes harmony in the interventions and strengthens their impact.

Human Resources

Authorized Staff

The Commission's staff is appointed and paid in accordance with the Public Service Act. On December 31, 1988, the number of positions authorized by the *Conseil du trésor* (Treasury Board) was 2,573, one less than the previous year. More than half of these, i.e., 1,466, were in regional offices. Of these 2,573 positions, 357 were assigned to the Commission's inspection activities, whose budget is approved by the *Conseil du trésor* without intervention by the Commission's Board of Directors.

Authorized Positions Filled

In its 2,573 authorized positions on December 31, 1988, the Commission had 2,381 permanent employees, including 333 inspection positions, of which 49% were classified as civil servants, 43% as professionals, and 8% as supervisory staff. The total number of permanent positions, therefore, increased by 22 or 1% compared to 1987.

It should be noted that at the end of 1988, 12 employees were on an authorized pre-retirement leave program, which ended on March 31. Forty-two employees, 32 men and 10 women, retired in 1988. Eighty-two employees took leave without pay for periods of varied duration and 38, leave with deferred pay. Ninety-nine employees were absent from work on maternity leave, 202 employees received salary insurance benefits, 71 employees received benefits for employment injuries in the workplace and 122 employees availed themselves of the part-time workplan.

Temporary Staff

On December 31, 1988, the Commission employed 561 casual employees, an increase of 100 over the previous year, particularly for special projects: the scale of bodily injuries, the economic and social stabilization program, review offices, assessment reform, recalculation of assessments, etc.

Female Staff

The Affirmative Action Program for female government employees, adopted July 8, 1987, sets specific quantitative and qualitative goals for the Commission and proposes different means to increase female employment. On December 31, 1988, women filled 1,036 of the 2,381 permanent positions in the Commission, compared to 994 out of 2,359 on December 31, 1987. Women now make up 43.5% of the CSST's permanent staff, an increase of 1.4% over 1987. Thus, female representation in the Commission continued to increase in 1988 in spite of the stable number of permanent positions. The relative importance of the position of women in the personnel categories of the CSST was as follows on December 31, 1988: 3 women were top-level managers, filling 50% of such positions; 17 were senior managers, or 15.3% of such positions; 10 were supervisors, or 13.5% of such positions; 217 were professionals, or 27.1% of such positions; and 789 were civil servants, or 55.6% of such positions.

The Commission is thus experiencing a gradual increase of the relative presence of women in all its personnel categories. It is at the senior management and professional employment levels that such representation has increased the most over the past few years. The Commission intends to further this progression in 1989, by pursuing action undertaken to encourage internal promotions. The president and chief executive officer personally encourages professional women, team leaders or managers already employed by the Commission to prepare themselves to assume management positions. In the wake of this action, the Commission intends to further other measures affecting other job classes.

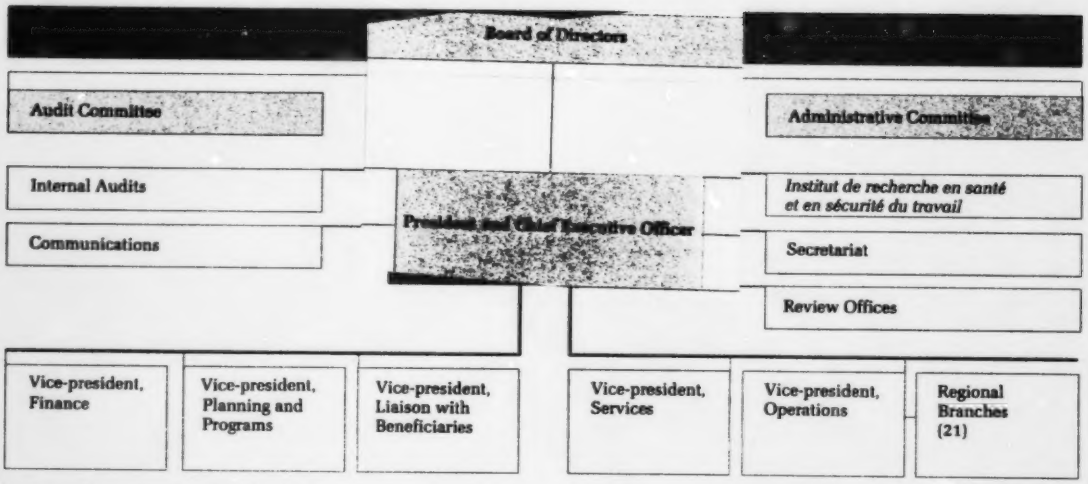
Internal Audits

The Internal Audit Branch is responsible for the Commission's internal auditing and its director reports to the president and chief executive officer.

The internal auditing strategy calls for the Commission's operations and management activities to be audited on a four-year cycle. Internal auditing guidelines were adopted by the Commission's Management Committee within the scope of government policy on this issue. Internal auditing must ensure the systematic, regular and objective assessment of the number and effectiveness of the controls incorporated in all the Commission's activities. Its role is consultative rather than jurisdictive. The Internal Audit

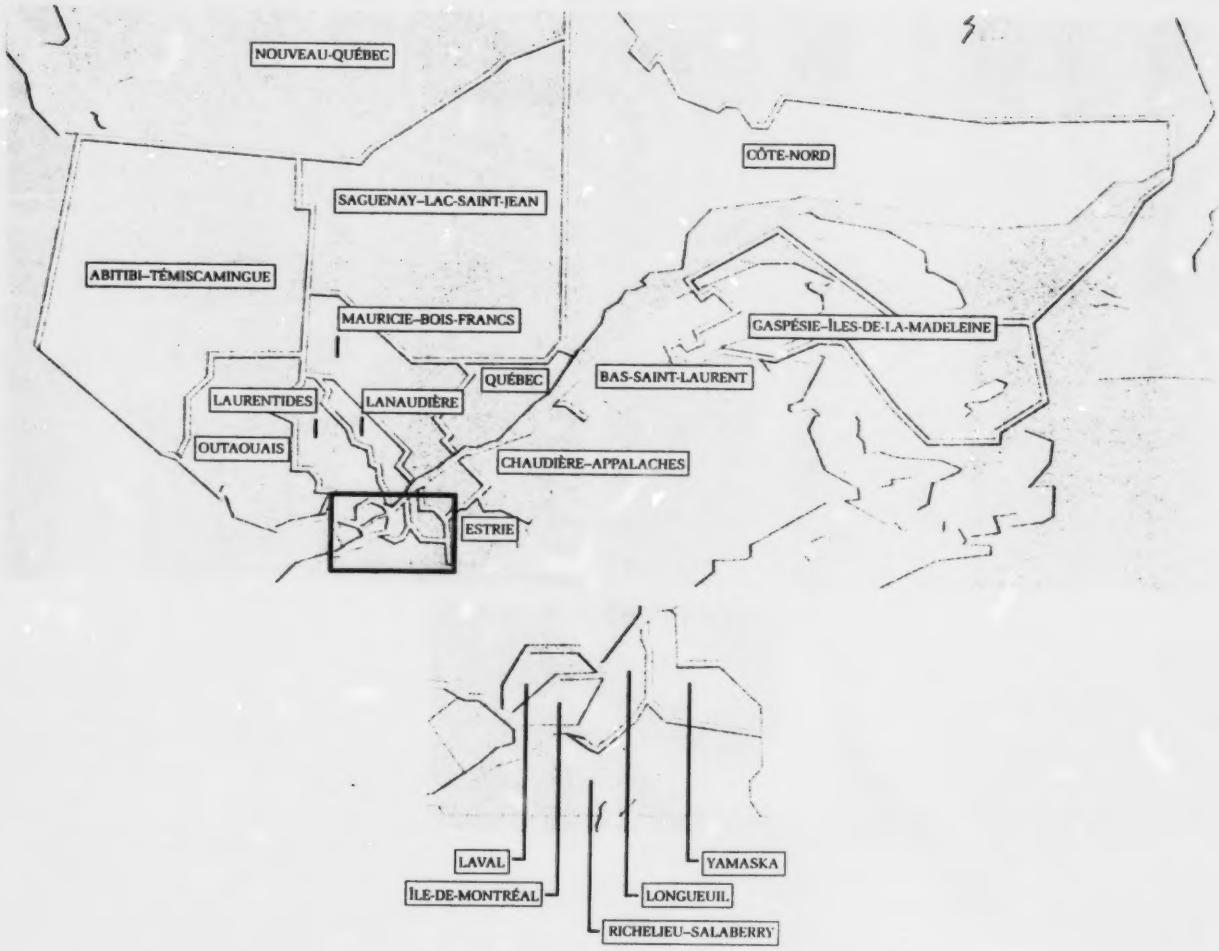
TABLE 1

The Commission's Operating Structure



Vice-president, Finance	Vice-president, Planning and Programs	Vice-president, Liaison with Beneficiaries	Vice-president, Services	Vice-president, Operations	Regional Branches (21)
Actuarial Services	Consultation, Program Evaluation, and Planning		Human Resources	Network Operations	Abitibi–Témiscamingue
Analysis and Information Management	Occupational Health and Safety Information		Material Resources	Operations Control and Evaluation	Bas-Saint-Laurent
Budget Planning	Prevention and Inspection Programming		Legal Services	Crime Victims' Compensation	Chaudière–Appalaches
Financial Services	Rehabilitation and Compensation Programming			Medical Services	Côte-Nord
Systems				Operations Support	Estrie
					Gaspésie–Îles-de-la-Madeleine
					Île-de-Montréal - 1 Building and public works
					Île-de-Montréal - 2 Transportation equipment and trade
					Île-de-Montréal - 3 Medical services and administration
					Île-de-Montréal - 4 Business services and metallic products
					Île-de-Montréal - 5 Transportation, food and drink
					Lanaudière
					Laurentides
					Laval
					Longueuil
					Mauricie–Bois-Francs
					Outaouais
					Québec
					Richelieu–Salaberry
					Saguenay–Lac-Saint-Jean
					Yamaska
					Administration Service
					Multidisciplinary Occupational Health and Safety Service: Prevention, Inspection, Rehabilitation, Compensation

Administrative Regions and Regional Branches of the CSST



Branch service exercises no direct authority on the other centres of activity.

The overall mandate is to provide senior managers with an independent assessment of the established framework of control and the performance achieved in view of the judicious management of its resources, namely human, physical, financial and information resources.

The control framework for internal auditing is made up of mechanisms set up to achieve the Commission's goals. It covers all recognized spheres of activity in judicious management, particularly the economic and efficient use of resources; the completion of operations or programs as planned; the reliability and integrity of data and information; conformity with policies, plans, decisions, procedures, laws and regulations; and the protection of property.

ADMINISTRATION OF THE PLAN IN 1988

The *Commission de la santé et de la sécurité du travail* is a public corporation within the meaning of the Civil Code. As such it is vested with the general powers of such a corporation and specific powers imparted to it by law. Its joint Board of Directors is the highest body of employer-worker participation constituted by law, enabling both groups to share in defining and managing occupational safety and health policies.

Board of Directors

The Commission's Board of Directors is made up of fifteen members: the president, who is also the chief executive officer, seven employer representatives and seven labour representatives. These are selected by the Government from lists supplied by the most representative management and labour associations.

In 1988, the Board of Directors focused its attention on a number of aspects of the Commission's financial administration. The Board approved the Commission's financial statements for the 1987 fiscal year, and its 1988 budget. It adopted the average assessment rate of $2.75, the classification and assessment of employers, the minimum annual contribution of $120 and the maximum yearly insurable earnings of $38,000 for 1989. The Board approved the budget of transfers within the occupational health services program and granted subsidies to thirteen joint sector-based associations, as well as to the *Institut de recherche en santé et en sécurité du travail* (Occupational Health and Safety Research Institute), and management and labour associations. It also adopted various resolutions dealing with the purchase of an IBM 3090-500E computer and other computer hardware and the maintenance of computer programs and equipment. The Board also authorized the implementation of a master plan for the Commission's information systems and a plan for improving the compensation system. It also approved the holding of a publicity campaign to support the Commission's goals.

The Board has also adopted a new policy for recalculating employer assessments affected by the Regulation respecting the system of merit or demerit rating for assessing an employer, as it relates to fees under Sections 99(3) and 99(5) of the Workmen's Compensation Act. In addition, the Commission approved a policy aimed at retroactively implementing a Management Committee's May 1984 decision not to charge the cost of occupational diseases to the employer, in accordance with Section 111(7) of the Workmen's Compensation Act. To implement these policies retroactively, it was necessary to recalculate the non-stipulated assessments so that employers could be reimbursed for their overpayments.

The Board also analysed the impact (particularly in relation to reimbursement of the concerned employers, recovery, and future assessment rates) of the Supreme Court of Canada decisions in the cases of Bell Canada, Canadian National and Alltrans Express, to the effect that provincial legislation does not apply to enterprises under federal jurisdiction.

The financial situation was also the topic of numerous discussions. Thus the president received the directors unanimous approval to ask the government to repeal the second and third paragraphs of Section 284 of the Act respecting industrial accidents and occupational diseases. The objective is full financing, instead of 90% of the cost of employment injuries occurring in 1989 and after, and the eventual reduction of the Commission's actuarial deficit. Bill 29, assented to on June 17, 1988 met this demand. As well, in a desire to publicly demonstrate the Commission's firm intention to re-fund its actuarial reserve at a level that would ensure it stability and strength, the directors requested that a re-funding provision be established once the 1989 assessment rate is adopted, and that any surplus from the current year be used for re-funding purposes.

The staff then stated that it would submit a re-funding policy to the Board during 1989 for implementation as of 1990.

Early in the year, the president stressed the need to review the method of rate assessment, as demonstrated by a study on the financing of the Québec plan. She outlined to the directors the overall principles underlying the needed reform, namely the re-establishment of insurance mechanisms within the Commission, particularly mutuality, the improvement of equity among the various employers, and the prompt recognition of the employer's own experience with view to promoting

prevention. This management recommendation was favourably received by the Board which in turn adopted a schedule aimed at enforcing and implementing the Commission's new method of rate assessment on January 1, 1990.

The economic stabilization, social stabilization, and rehabilitation-compensation programs were another important matter that retained the attention of the Board. These programs were declared invalid by the Québec Court of Appeal, a move which affected approximately 5,000 of the Commission's beneficiaries. The directors approved the president's recommendation that the government be requested to take the necessary legislative measures to validate the programs administered by the Commission under Sections 56 and 56.1 of the Workmen's Compensation Act and ensure their maintenance, despite any contradictory judgment, while protecting the rights of employers who, before May 4, 1988 and within the required deadlines, had challenged the validity of these programs before various bodies. The Commission's demand was met by Bill 74, which received assent on December 23, 1988.

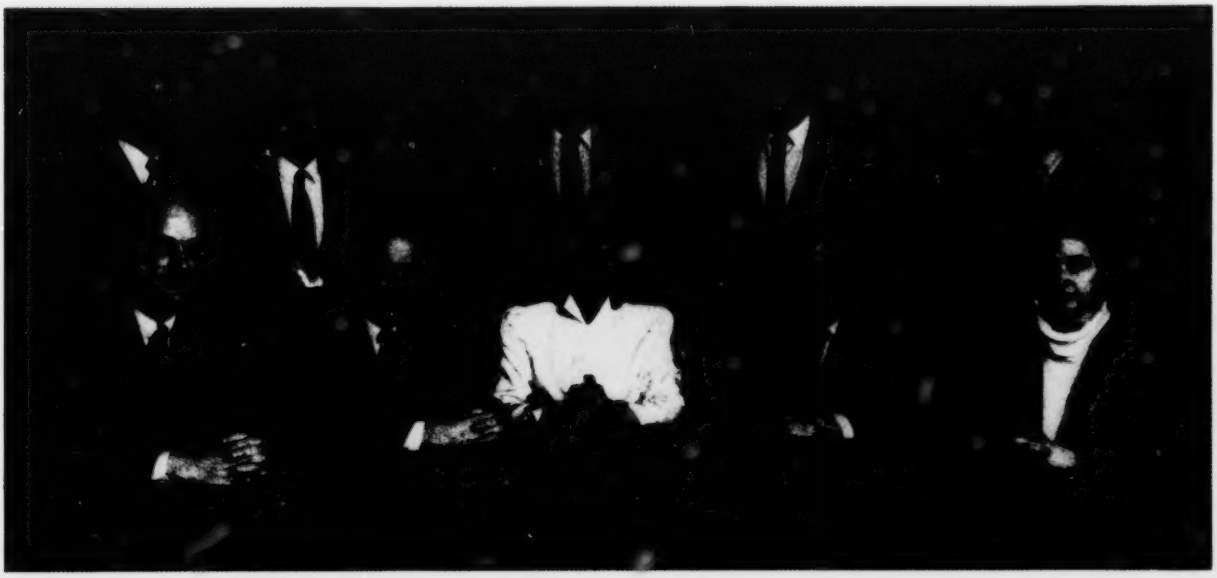
The report of the *Vérificateur général* on the optimization of the Commission's resources, according to the mandate entrusted to him by the government in November 1986, was also a subject of discussion. The directors agreed with the Management Committee's disposition to withhold comment on his audit report, so as to refrain from interfering in the auditing process, and allow the *Vérificateur général* all the leeway required to fulfil his mandate.

In response to the invitation of the Board, the Québec *Vérificateur général* presented the main points in his final report on the integrated audit. The directors then gave him their comments on this report.

Occupational health and services also retained the directors' attention. Indeed, 1988 was a year of reassessment and review in terms of occupational health programs. The Commission examined and analysed the *Opération bilan* production, completed by the HC-CHDs and CLSCs on the overall operation of occupational health services in Groups I and II. The final report produced by a specialized firm on the CSST's occupational health program, and presented to the Board in December 1987, had brought to light problems of leadership, management and structure. Based on the consultants' recommendations and the information obtained from *Opération bilan*, the Commission was able to begin the process of reorganizing its services. Thus, the Commission's Board of Directors adopted guidelines on the organization of occupational health programs. These guidelines are mainly aimed at optimizing the use of available resources, improving the coordination of services to achieve more efficiency, and emphasizing the approach by program. They make provision for the development of basic programs on back pain and occupational deafness applicable to all sectors of activity, the maintenance of services in the priority Groups I and II, the implementation of health programs in Group III, and the study of the use of medical resources in the private health network, in accordance with the Act respecting occupational health and safety and the will of the parties.

The study and adoption of regulations make up an important part of the Board of Directors' work. In 1988, the Commission adopted the following regulations:

- Regulation respecting the table of divisions of economic activity and list of assessment rates for 1989;
- Regulation respecting the minimum annual assessment for each of the financial sub-files of an employer for 1989;
- Regulation respecting standards and tables for personal home assistance for 1989;
- Regulation respecting the table of income replacement indemnities for 1989;
- Regulation respecting the table of gross annual income of suitable employment for 1989.

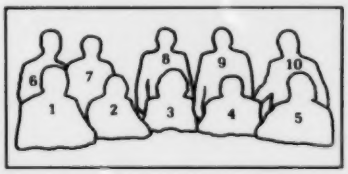


Board of Directors

President	
3. Monique Jérôme Forget	
Labour Representatives	
4. Louis Laberge	President of the *Fédération des travailleurs et travailleuses du Québec* (*F.T.Q.*)(Quebec Federation of Labour)
8. Jean Lavallée	Managing director and Secretary-treasurer of the Interprovincial Brotherhood of Electrical Workers, vice-president of the F.T.Q.
10. Clément Godbout	Québec director of the United Steelworkers of America, vice-president of the F.T.Q.
Claude Morrisseau	Regional director of the Canadian Union of Public Employees, vice-president of the F.T.Q.
Céline Lamontagne[1]	Vice-president of the *Confédération des syndicats nationaux* (*C.S.N.*)(Confederation of National Trade Unions)
5. Andrée Bouchard	Secretary, Confederal Health and Safety Committee, *Confédération des syndicats nationaux* (*C.S.N.*)(Confederation of National Trade Unions)
9. Claude Gingras	President of the *Centrale des syndicats démocratiques* (CSD) (Congress of Democratic Unions)
Employer Representatives[2]	
2. Ghislain Dufour	President of the *Conseil du patronat du Québec* (CPQ) (Québec Employers' Council)
Guy G. Dufresne	President and Chief Operating Officer, Kruger Inc.
Jean-Marc Turcotte	President and Chief Executive Officer, Tioxyde Canada Inc.
1. Dr.Michel Guillemette	Director of Medical Services, Canadian Pacific Forest Products Limited
7. Me Franco Fava	Secretary, Neilson Excavation Inc.
6. Michel Caron	President and Chief Executive Officer, Groupe Tremca Inc.
Observers	
Robert Diamant	for the Minister of Labour
Dr.Marc Dionne	for the Minister of Health and Social Services

1. On March 8, 1989, Céline Lamontagne replaced Christophe Auger, who resigned on June 14, 1988.

2. A vacancy has been created as a result of the resignation of Pierre Lortie on June 20, 1988.



Absent
Jean-Marc Turcotte, Guy G.Dufresne, Claude Morrisseau, Céline Lamontagne.

The Board also approved the content of the Regulation respecting information concerning controlled products, in view of the establishment of the Workplace Hazardous Materials Information System (WHMIS) in Québec. The assent given to Bill 65 on December 23, 1988 provided the Commission with the regulatory powers enabling it to formally adopt this regulation in January 1989.

In the area of programs and policies, the Commission's Board of Directors has approved service contracts for training first-aid workers from June 1, 1988 to May 31, 1990. It also adopted the policy in physiotherapy and ergotherapy and approved the text of the agreement to be concluded between the Commission and each health establishment providing physiotherapy and ergotherapy treatments, whose costs are approved by the Commission.

Many of the Board's resolutions dealt with the composition and updating of the lists of employer and labour members of the review boards established under the Act respecting occupational health and safety, as well as the delegation of the Commission's powers to its employees and the update of the list of employees so delegated.

During the year, 10 committees of the Board of Directors dealt with budget and financial management, and studied of a number of draft regulations; these committees met a total of 40 times in 1988.

Executive Committee

The Act provides for an Executive Committee including the president, one employer representative and one labour representative, selected by their peers from members of the Board of Directors. The Executive Committee consists of the president and chief executive officer, Mrs. Monique Jérôme Forget, and Messrs. Ghislain Dufour, employer representative, and Louis Laberge, labour representative.

Items on the agenda of the Board of Directors and files to be submitted to the Board are first cleared by the Committee. Committee members thus get an initial grasp of the problems at hand, enabling them to guide Board discussions towards the main concerns they have identified. Through this early perusal of files, Committee members are also in a position to ask the staff to supplement information to be conveyed to the Board.

In the scope of its responsibility to approve current administrative agreements with Québec institutions, the Executive Committee approved a Memorandum of agreement on information exchange in relation to the welfare program and the contributory program on sheltered adults, between the *ministère de la Main-d'oeuvre et de la Sécurité du revenu* and the *Commission de la santé et de la sécurité du travail.*

As part of its routine business, the Executive Committee authorized certain banking matters and the signature of leases, and approved equipment purchases and the awarding of contracts.

Audits Committee

Section XII of the Commission's internal management regulation creates an Audits Committee composed of two employer representatives and two labour representatives, all four selected by their peers from members of the Board of Directors. The Audits Commitee is composed of Ghislain Dufour and Michel Caron, employer representatives, and Louis Laberge and Andrée Bouchard, labour representatives. Among other duties, the Audits Committee examines the annual report of the Internal Audit Branch, that of the *Vérificateur général*, and their follow-up action, and reports to the Board of Directors. It ensures that the Commission's financial statements accurately reflect its financial situation,and its evolution, and the results of its operations.

From left to right,
Seated: Lise Thibault and Monique Jérôme Forget
Standing: Pierre Lafrance, Alain Ménard, Pierre Shedleur, Lise Langlois and Gilles Taillon.

Members of the Management Committee

President and Chief Excutive Officer	Monique Jérôme Forget
Vice-president, Finance	Pierre Shedleur
Vice-president, Operations	Gilles Taillon
Vice-president, Planning and Programs	Lise Langlois
Vice-president, Liaison with Beneficiaries	Lise Thibault
Vice-president, Services	Alain Ménard[1]
Secretary	Pierre Lafrance

1. On April 3, 1989, Alain Ménard replaced Yves Tardif.

Management Committee

1988 was a most important year for the Commission because of the implementation of the organizational reform designed to meet the needs of users.

The president and chief executive officer is responsible for the organization's administration and management. She is assisted in her functions by vice-presidents in finance, operations, planning and programs, liaison with beneficiaries, and services. The president and chief executive officer, the vice-presidents and the secretary make up the Management Committee responsible for implementing decisions of the Board of Directors, suggesting policies and dealing with day-to-day administrative matters.

Annually setting goals for the CSST means that priorities are communicated and the specific objectives of the various CSST branches join together in a common purpose. In 1988, emphasis was placed on the following areas: the establishment of priorities in user services; better organization of rehabilitation services to improve the quality of support the Commission provides to injured workers and ensure the prompt return to work of a larger number of workers; the identification and implementation of the most effective prevention measures, particularly in high-risk sectors; the decrease in the number and gravity of employment injuries; the improvement of the administration's efficiency and effectiveness; the reorganization of compensation program management; and the personalization of employer assessments by taking the employer's

own experience into account. In pursuit of these goals, the Management Committee drafted an action plan and set guidelines to evaluate progress.

The integrated prevention operation in target establishments, which essentially is aimed at reducing the frequency of employment injuries in each of the designated establishments, was continued in 1988 as part of a well defined activity. This operation is directed to firms with an average accident frequency rate above that of there sector for 1987, regardless of the priority group to which they belong. At the beginning of the year, 1,856 enterprises were thus designated. They belong to 31 out of 32 economic sectors and 60% of them belong to a group designated by regulation.

Through systematic intervention, the Commission attempts to give the firms an awareness of the benefits of prevention, as well as provide the participants with the necessary assistance to effectively administer health and safety in their firm. In this sense, in 1988, the Commission has mainly concentrated most of its resources and effort to prevention and inspection on this operation in the designated firms.

Identification and elimination of the causes of accidents, and initiation to occupational health and safety prevention methods represent the core of the Commission's intervention. The inspector acts as the Commission's spokesperson toward the firm. However, he acts in a context in which health and safety management is part and parcel of the production functions of the entire establishment. Given the objective of a reduction in accidents, this action also implies interaction between the various functions of each regional office. The Commission's interventions revolve around assistance and support for the parties. Where they exist, the health and safety committees are called upon to cooperate closely with the operation; throughout, this cooperation is achieved in an atmosphere in which the workplaces take charge of their situation. In each case, a joint meeting with the chief officers of the firm is held before the inspectors intervene, to make them aware of their occupational health and safety record and obtain their cooperation in pursuing the objectives. Firms are also urged to promote reintegration and cooperate in the rehabilitation of injured workers. In many cases this action was undertaken in cooperation with the Commission's partners. Following the example of the operation undertaken in 1987, we were able to obtain very interesting results in 1988. This is how, in the designated firms in 1988, work accidents decreased by 12%, from 77,750 in 1987, to 68,704 in 1988.

Similarly, the Commission intensified its campaigns to make employers and workers aware of work-related risks and dangers. During any forum she was offered and her many visits to firms, the president took the opportunity to promote prevention as an integral part of managing a firm. A new orientation was given to the review, *Prévention au travail*, to provide a more prominent platform for achievements likely to improve health and safety conditions in the workplaces. The president also created the Quality of Work Life prize, to recognize occupational safety and health initiatives and achievements of workers and firms. The competition for this prize was launched as part of the International Safety Conference's Salon *Prévention plus*, which was held in Montreal, in June 1988. It should be noted that between June 27 and September 2, 1988, the Commission received some 350 applications for this prize. On October 17, the president officially opened the fourth Annual Occupational Health and Safety Week by announcing the first prize winners in the following categories: Establishing a means of prevention; Implementing a training program, and Adapting a workstation. The observation of the 1988 Annual Occupational Safety and Health Week, under the theme, Health and safety, it's worth working on, has focused on youth training and information and making future workers aware of occupational health and safety.

With the aim of providing the Commission's partners with a more concrete means of prevention, the *Institut de recherche en santé et en sécurité du travail* (Québec Occupational Safety and Health Research Institute) (IRSST) has focused on safety-centered research, and considerable effort was devoted to popularizing and disseminating the findings to a wider public. Likewise, the *Institut* was often called upon to carry out an important role as expert or consultant.

Concerned about ensuring careful use of the rather considerable amount of resources allocated to prevention programs, the Commission thought it appropriate to assess the relevance and quality of services offered by the joint sector-based associations. This

assessment lies within the same framework as that of occupational health services, where in 1988, the Commission adopted new guidelines. These assessments enable the Commission to clearly define the mandates of these agencies, which helps their interventions to be articulated more effectively.

In order to widen access to care and shorten the waiting periods for physiotherapy and ergotherapy, the Commission revised its policy for purchasing outside services: 239 health establishments were retained, including 116 private establishments. Significant progress was made in the average length of the waiting period for treatment. Thus, for the beneficiaries that began and ended their treatments between January 1 and December 31, the length of the waiting periods decreased from 12 days in 1986, to 8.9 days in 1987, and 5.7 days in 1988. With the conclusion of the new agreements, the anticipated waiting period should be five days in 1989.

The rehabilitation counsellors have obtained better management tools. Each counsellor's caseload has been revised so that a clearer picture of the beneficiaries and a reduction in the waiting period for rehabilitation can be obtained. The Commission leaned toward the notion of a suitable employment to make it truly operational.

During 1989, an implementation strategy was developed for the Workplace Hazardous Materials Information System to help employers comply with the requirements of this Canada-wide system. Under WHMIS, the employer must first identify all the controlled products present in the workplace. The employer must see that these products are labelled, by indicating the name of the product and the precautions to be taken during its use. The employer must also obtain from the product supplier or, if he is the manufacturer, develop himself a Material Safety Data Sheet for this product.

Finally, the employer must implement in his establishment, a training and information program on controlled products. At minimum, this program should provide workers with all the information on the dangers that each controlled product presents in the workplace, the meaning of the information on the label and in the Material Safety Data Sheet, the directions to be followed for the safe use and handling of these products, and the measures to be taken in case of emergency. Having actively participated in the development of this system since 1981, the Commission has implemented the required means so that its Toxicological Index might respond to the users' needs. In charge of the application of this new regulation in Québec, the Commission has trained its inspectors to be in a position to demand compliance with the System's provisions.

As part of routine business, the Management Committee authorized rental leases and adopted a number of decisions on personnel management and the study of internal reports.

Besides, the Commission continued to attach great importance to its relations with external bodies, including those outside Québec. It has maintained relations with the International Association of Labour Inspection (IALI), the International Social Security Association (ISSA) and the International Commission of Occupational Health (ICOH). It maintained regular contact with its counterparts in other Canadian provinces and abroad, played host to a number of delegations and participated in several international conferences of particular interest. Over 1,200 delegates took part in the International Safety Conference in Montreal in June 1988. The Commission made an important contribution to the organization of the section of the Convention devoted to prevention in the workplace. The president and chief executive officer conducted a workshop and chaired the meeting on recommendations, as well as the convention's closing ceremony, where several CSST specialists gave lectures and participated in a large number of workshops. Recognized as one of the experts of the World Health Organization, the president and chief executive officer was also invited as speaker and president of the Health and Safety Committee to the International Conference of Ergonomics, Occupational Safety and Health, and the Environment, held in Beijing, China, in October 1988. The Commission supported the holding of the International Convention on Protection against Rays in Montreal in 1992, and it continues to support the

organization of the XXIII International Conference on Occupational Medicine in Montréal in 1990.

Within the *Comité de négociation des ententes en matière de sécurité sociale (C.N.E.S.S.)*, piloted by the Ministry of International Affairs, the Commission took part in the ratification of the reciprocity agreements between Québec and France. The Commission was also part of the continuing negotiations between Québec and Spain, Ireland, Italy and Portugal.

In Canada and North America, the CSST belongs to the Association of Workers' Compensation Boards of Canada, the American Association of State Compensation Insurance Funds, and the International Association of Industrial Accident Boards and Commissions. The president and chief executive officer is the Canadian representative on the Board of Regents of IAIABC's College.

The Commission participates in task forces such as the Canadian Standards Association's (CSA) Advisory Committee on Health and Safety, the Federal-Provincial Committee on Labelling, the Federal-Provincial Committee on the Implementation of WHMIS and the annual meeting of the Association of Chief inspectors of Mines, and the National Program of statistics on occupational accidents. The Commission also exchanges information with several Canadian agencies, especially the Canadian Centre for Occupational Health and Safety. It also participates in the work of the Canadian Association of Administrators of Labour Legislation and the Legislation and Rehabilitation Committees of the IAIABC.

The enforcement of the Act respecting the protection of non-smokers in certain public areas

The president and chief executive officer, along with the Management Committee, also took steps to enforce the Act respecting the protection of non-smokers in certain public areas (1986, c. 13). Under this Act, the person vested with the highest authority within a public body must take appropriate measures to enforce the provisions of the Act on the premises occupied by this public agency. For its part, the Commission had opted for a gradual incentive approach, which led to, on May 1, 1988, a complete ban on smoking in all premises including individual offices and workstations except in special smoking rooms set up in the establishments of the Commission. The Commission set up an assistance program for smokers who want to quit smoking, and has conducted an information campaign on the effects of tobacco. The president also assigned persons responsible for the application of the Act in administrative centres and regional offices.

FINANCIAL STATEMENTS

FOR 1988

AUDITOR'S REPORT

I have examined the balance sheet of the *Commission de la santé et de la sécurité du travail* as at December 31, 1988, and the statement of income and expenditure, the unfunded liability and the cash flow statement for the year then ended. My examination was made in accordance with generally accepted auditing standards and included such tests and other procedures as I deemed necessary in the circumstances.

In my opinion, these financial statements faithfully represent the Commission's financial position as at December 31, 1988, as well as the results of its operations and the evolution of its financial situation for the year then ended, in accordance with the generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Le vérificateur général du Québec

Rhéal Chatelain, F.C.A.

Québec City, April 14, 1989

ACTUARIAL CERTIFICATE

RELATING TO THE COMMITMENTS OF THE *COMMISSION*
***DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL* AS AT DECEMBER 31, 1988**

We, the undersigned, state that the actuarial reserve which amounts to $5,065,006,000 constitutes an appropriate provision to cover future payments of benefits to occupational injury victims under the Workmen's Compensation Act, the Act respecting industrial accidents and occupational diseases, and the Act respecting indemnities for victims of asbestosis and silicosis in mines and quarries; and future payments of benefits to pregnant or breast-feeding workers under the Act respecting occupational health and safety. The actuarial reserve covers commitments for events that occurred before December 31, 1988, in the establishments of employers required to pay assessments, and includes a provision for changes in the real rate of return amounting to $407,447,000.

The actuarial reserve was estimated on the basis of policies adopted by the Commission.

The increase of actuarial reserves on December 31, 1988, before extraordinary items, i.e., $307,251,000 for compensation programs and $271,000 for the protective reassignment program of pregnant or breast-feeding workers, was debited from the 1988 income and expenditure statement.

Changes brought to methodology and assumptions decreased the actuarial reserve by $15,235,000. These changes include a decrease of $31,743,000 in the reserve related to the long-term income replacement indemnity and the strengthening of the reserves of economic stabilization, social stabilization and bodily injury programs for respectively $16,285,000 and $13,505,000. In addition, new mortality tables were drawn up for permanently disabled beneficiaries, thus freeing up $10,588,000 of reserves, compared to the $50,000,000 provision which was recorded in the 1987 financial statements.

In our opinion, the amount of the actuarial reserve was determined from trustworthy data, appropriate and adequate assumptions, and the methods employed are in accordance with sound actuarial principles.

Robert Langlois, F.S.A., F.I.C.A.
Actuary
Commission de la santé et de la sécurité du travail

Pierre Hébert, F.I.C.A.
Actuary
Commission de la santé et de la sécurité du travail

March 6, 1989

The reserve for commitments incurred by the *Commission de la santé et de la sécurité du travail* for compensation for victims of employment injuries and pregnant or breast-feeding workers, for injuries and pregnancies prior to December 31, 1988, was determined by the Commission's actuary. We carried out an audit on the methodology and assumptions retained by the latter and also verified the calculations and data on a random sample basis.

In our opinion, the amounts shown in the balance sheet and the statement of income and expenditure of the Commission reflect adequately the value of its commitments as at December 31, 1988, for the employers assessed.

Jacques Bolduc, F.I.C.A., F.S.A.

MLH + A Inc.
Murray, Le Houillier, Hartog
Actuaries and Consultants

March 28, 1989

INCOME AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1988

Commission de la santé et de la sécurité du travail
(L.R.Q. chapter S-2.1 and amendments)

	1988	1987
	(in thousands of $)	
INCOME		
Employer assessments (note 1)	1,437,703	1,186,237
Investment income and interest on assessments (note 3)	315,195	247,076
Other Income	1,087	2,573
	1,753,985	1,435,886
EXPENDITURE		
Compensation programs (note 4)		
Benefits paid	904,076	898,736
Increase in actuarial reserve	307,251	290,478
	1,211,327	1,189,214
Protective reassignment of pregnant or breast-feeding workers program		
Benefits paid	38,879	37,842
Increase in actuarial reserve	271	(501)
	39,150	37,341
Prevention programs (note 5)	68,291	64,626
Administration expenses (note 6)	140,482	114,863
Other costs (note 7)	19,822	16,862
	228,595	196,351
	1,479,072	1,422,906
EXCESS OF INCOME OVER EXPENDITURE BEFORE EXTRAORDINARY ITEMS	274,913	12,980
EXTRAORDINARY ITEMS		
Compensation programs (note 4)		
Decrease (increase) in actuarial reserve resulting from changes in assumptions and the method of calculation	15,235	(93,458)
Write-off of computer systems development costs	-	(10,172)
Provisions for reimbursement of assessments (note 12)	(187,000)	-
	(171,765)	(103,630)
EXCESS OF INCOME OVER EXPENDITURE - EARMARKED TO THE REDUCTION OF UNFUNDED LIABILITY	103,148	(90,650)
Represented by:		
Expenditure not financed according to the financing method provided in the Act (R.S.Q., c. A-3.001, Sect. 284) (notes 1 and 4)	(298,468)	(292,839)
Balance of excess of income over expenditure	401,616	(202,189)
	103,148	(90,650)

UNFUNDED LIABILITY
YEAR ENDED DECEMBER 31, 1988

	1988	1987)
	(in thousands of $)	
BALANCE AT BEGINNING	**(2,360,380)**	(2,228,133)
Posting to liability on January 1, 1987 of balance due on the Public Service Pension Plan for service before December 31, 1975	-	(41,597)
Excess of income over expenses - charged to the reduction of unfunded lability	**103,148**	(90,650)
BALANCE AT END	**(2,257,232)**	(2,360,380)

Commission de la santé et de la sécurité du travail
(L.R.Q. chapter S-2.1 and amendments)

BALANCE SHEET AS OF DECEMBER 31, 1988

Commission de la santé et de la sécurité du travail
(L.R.Q. chapter S-2.1 and amendments)

	1988	1987
		(in thousands of $)
ASSETS		
Cash	**12,121**	5,323
Short-term deposits	**357,530**	235,434
Assessments receivable and other receivables (note 8)	**158,580**	188,858
Funds entrusted to the *Caisse de dépôt et placement du Québec* (notes 3 and 9)	**2,540,605**	2,052,613
Selling price balances (note 10)	**16,868**	17,416
Fixed assets (note 11)	**19,916**	21,990
	3,105,620	2,521,634
LIABILITIES		
Outstanding cheques	**19,433**	20,775
Accounts payable and accrued liabilities	**21,524**	18,263
Balance due on equipment acquisitions	**-**	2,549
Assessments collected in advance	**7,870**	2,372
Provisions for reimbursement of assessments (note 12)	**187,000**	-
Deposits by employers personally responsible for paying benefits	**23,772**	25,326
Balance due on Public Service Pension Plan (note 13)	**38,247**	40,010
Actuarial reserve (note 14)	**5,065,006**	4,772,719
	5,362,852	4,882,014
UNFUNDED LIABILITY	**2,257,232**	2,360,380
	3,105,620	2,521,634

COMMITMENTS AND CONTINGENCIES (NOTE 15)

FOR THE BOARD OF DIRECTORS

Ghislain Dufour
Louis Laberge

CASH FLOW STATEMENT
YEAR ENDED DECEMBER 31, 1988

Commission de la santé et de la sécurité du travail
(L.R.Q. chapter S-2.1 and amendments)

	1988	1987
	(in thousands of $)	
OPERATIONS ACTIVITY		
Excess of income over expenditure - earmarked to the reduction of the unfunded liability	103,148	(90,650)
Items not affecting liquid assets		
Increase of actuarial reserve	292,287	383,435
Write-off of computer systems development costs	-	10,172
Depreciation - Fixed assets	4,470	6,534
Adjustments - Income from participation deposits at the *Caisse de dépôt et placement du Québec*	(27,388)	26,491
Loss on fixed assets disposals	2,122	100
Liquid assets generated by operations	374,641	336,082
Changes in assets and liabilities excluding liquid assets related to operations	224,483	(26,764)
Liquid assets generated by operations activities	599,124	309,318
FINANCING ACTIVITY		
Receipts - Balances of selling price	548	509
Reimbursements		
- Balance owed on purchase of equipment	(2,549)	(3,089)
- Balance owed to Public Service Pension Plan	(1,763)	(1,587)
Liquid assets used for financing activities	(3,764)	(4,167)
INVESTMENT ACTIVITY		
Funds entrusted to the *Caisse de dépôt et placement du Québec*	(460,606)	(80,381)
Acquisitions of fixed assets	(7,591)	(2,362)
Proceeds from fixed assets disposal	3,073	176
Liquid assets used for investment activity	(465,124)	(82,567)
INCREASE OF LIQUID ASSETS	130,236	222,584
LIQUID ASSETS AT THE BEGINNING	219,982	(2,602)
LIQUID ASSETS AT THE END	350,218	219,982

Liquid assets include cash on hand and short-term deposits less outstanding cheques.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1988

Commission de la santé et de la sécurité du travail
(L.R.Q. chapter S-2.1 and amendments)

1 INCORPORATION, FUNCTIONS AND FINANCING

The *Commission de la santé et de la sécurité du travail* was incorporated under the Québec Civil Code on March 13, 1980, by the Act respecting occupational health and safety (R.S.Q., chapter s-2.1 and amendments). In the scope of this Act, its duty is to develop, propose and implement policies for the health and safety of workers to ensure a better work environment. It collects from employers the sums required for the enforcement of the Act, except for the costs of inspection which are reimbursed by the Québec government.

Under the Workmen's Compensation Act and the Act respecting industrial accidents and occupational diseases, the Commission is responsible for assessing employers annually, according to its mode of financing and after actuarial evaluation.

The Commission elects the mode of financing it deems fit to meet commitments as they are incurred to avoid unduly burdening employers later with compensation payment attributable to past employment injuries.

However, for the years 1984 to 1988, under the Act respecting industrial accidents and occupational diseases, the Commission was directed to collect a sum equal to 90% of the sum required for the payment of benefits to which beneficiaries are entitled for employment injuries occurring during these years respectively.

The Act to amend the Act respecting industrial accidents and occupational diseases (1988, Chapter 34), assented to and brought into force on June 17, 1988, enables the Commission to fully finance the cost of employment injuries which will occur in 1989 and after, and to reduce the actuarial deficit, if need be.

Under the Crime Victims Compensation Act and the Act to promote good citizenship, the Commission has a duty to pay benefits or other indemnities to claimants. The sums required for the application and administration of these Acts are reimbursed by the Québec government.

2 ACCOUNTING POLICIES

The financial statements of the Commission have been prepared by management using generally accepted accounting principles. These statements include figures based on the best professional judgments and estimates.

a. Employer Assessments

Assessment income is determined on the basis of provisional payrolls reported by employers to whom the rate schedule set by the Commission applies. At year end, this income is adjusted to take into account the anticipated difference between the estimated wages and those actually subject to the assessment.

b. Funds Entrusted to the *Caisse de dépôt et placement du Québec*

Participation deposits in the individual fund are entered at their adjusted value.

This adjusted value is made up of the following:
-cost of units of participation deposits minus gains and losses realized on the sale of securities since 1981, plus,
-the accumulated amortization of these gains and losses realized on the sale of securities, and
-the accumulated amortization of the difference between the realization value of stock investments and the cost.

The value attributed to participation deposits represented by stock investments is based on their market value.

Gains and losses resulting from the sale of securities are posted and amortized. The difference between the market value of the stocks and their cost on December 31, is amortized. These amortizations, posted under the securities income for the fiscal year, are calculated according to the straight-line depreciation method over a 5-year period.

c. Fixed Assets

Fixed assets are stated at their original cost and depreciated in relation to their estimated useful life, on the straight-line method at the following annual rates:

Buildings	2 ½ %
Furniture and equipment	10 %
Rolling stock	25 %
Data processing equipment	20 %
Telecommunications system	20 %
Leasehold improvements	Duration of lease

d. Actuarial Reserve

Present estimated value of future payments to employment injury victims and pregnant or breast-feeding workers

This reserve includes the current estimated value of all future payments to be made for employment injuries and protective reassignments of pregnant or breast-feeding workers which occurred during the current fiscal year and previous years among employers required to contribute.

This reserve includes provisions for cases which have already been the subject of benefit claims and for victims whose claim will reach the Commission after the end of the current year. This reserve also includes provisions for victims who are now being compensated, or will eventually be compensated following a relapse, a recurrence or an aggravation.

In addition, this reserve takes into account the change in the real rate of return.

e. Claims Against Third Parties

Claims against third parties responsible for industrial accidents are deducted from paid benefits upon their receipt.

3 REVIEW OF REFERENCE RATE

Funds entrusted to the *Caisse de dépôt et placement du Québec*

As of the current fiscal year, the gains and losses from the sale of securities as well as the difference between the market value of stock on December 31 and their cost are amortized and added to the investment income over a five-year period, while previously, this was done over a ten-year period. This review of the reference rate, which has no effect on the unfunded liability at December 31, 1988, or on the results for 1988, will lead to an increase in the following items for the present fiscal year:

	1988 (in thousands of $)
Income and expenses	
Investment income and interest on assessments	**12,015**
Increase in actuarial reserve	**12,015**
Balance sheet	
Funds entrusted to the *Caisse de dépôt et placement du Québec*	**12,015**
Actuarial reserve	**12,015**

4 COMPENSATION PROGRAMS

	1988	1987 (in thousands of $)
Cost of compensation programs before extraordinary items		
Cost of employment injuries that occurred during the year		
Benefits paid	**250,394**	246,376
Increase in actuarial reserve	**586,788**	590,769
	837,182	837,145
Cost of employment injuries that occurred in previous years		
Benefits paid	**653,682**	652,360
Decrease in actuarial reserve	**279,537**	300,291
	374,145	352,069
	1,211,327	1,189,214
Extraordinary item		
Changes in assumptions and in method of calculating actuarial reserve	**(15,235)**	93,458
Overall cost of compensation programs	**1,196,092**	1,282,672

Compensation program costs, excluding extraordinary item, are divided up as follows:

	1988	1987
	(in thousands of $)	
Benefits paid		
Medical assistance	146,638	146,184
Temporary disability	64,807	87,340
Income replacement	389,317	362,664
Bodily injury	29,334	-
Permanent disability	187,782	212,992
Death	86,398	89,556
	904,076	898,736
Increase in actuarial reserve	307,251	290,478
	1,211,327	1,189,214

The unfinanced portion of these program costs is:

	1988	1987
	(in thousands of $)	
Benefits paid		
Medical assistance	6,863	6,464
Income replacement	17,977	18,083
Bodily injury	108	-
Death	91	91
	25,039	24,638
Increase in actuarial reserve	58,679	59,077
Opportunity cost of investment income due to unfunded liability	214,750	209,124
	298,468	292,839

The unfinanced portion of the compensation programs includes:

- Benefits paid during fiscal year 1988 for employment injuries that occurred during the year, multiplied by the percentage of nonfinancing: 10%;
- Increase in actuarial reserve for injuries that occurred during 1988, multiplied by the percentage of nonfinancing: 10%
- Opportunity cost of investment income due to the unfunded liability resulting from the application of the financing method.

5 PREVENTION PROGRAMS

	1988	1987
	(in thousands of $)	
Payments to occupational health services and others	38,616	36,811
Subsidy to the *Institut de recherche en santé et en sécurité du travail du Québec*	13,400	13,215
Subsidy for training and information	16,275	14,600
	68,291	64,626

6 ADMINISTRATION EXPENSES

	1988	1988
	(in thousands of $)	
Salary and fringe benefits	107,129	97,320
Training and professional development	534	285
Travel expenses	5,059	3,776
Postage, courier and telecommunications	6,551	5,458
Communications and information	1,763	1,848
Professional services - Data processing	4,548	2,463
Professional services - Administration	11,866	7,081
Maintenance and repair - Data processing equipment	2,590	3,020
Maintenance and repair - Fixed assets and other	1,402	1,410
Material and supplies	5,500	3,315
Space rental	11,415	9,494
Equipment rental - Data processing	5,065	1,839
Equipment rental - Other	774	647
Insurance, taxes, power supply	1,781	1,854
Other expenses and services	984	672
Depreciation - Fixed assets	4,470	6,534
	171,431	147,016
Costs transferred:		
Government of Québec		
-Inspections	23,133	23,418
-Administration of the Crime Victims Compensation Act and the Act to promote good citizenship	1,841	2,293
Government of Canada and its agencies for administration of the Government Employees Compensation Act	1,567	1,956
Employers personally required to pay benefits	3,837	3,981
Other costs transferred	571	505
	30,949	32,153
	140,482	114,863

OTHER COSTS

7

	1988	1987
	(in thousands of $)	
Bad debts	10,626	8,521
Administrative expenses of the *Commission d'appel en matière de lésions professionnelles*	6,035	5,005
Public Service Pension Plan - Interest on balance due	3,161	3,336
	19,822	16,862

ASSESSMENTS RECEIVABLE AND OTHER RECEIVABLES

8

	1988	1987
	(in thousands of $)	
Assessments receivable	95,412	95,795
Estimate of income accrued from assessments	43,047	34,963
Sums receivable from the Québec government for inspections *	15,671	55,047
Overpayment of claims receivable	19,906	20,108
Other receivables	8,844	7,745
	182,880	213,658
Less: Provision for bad debts	24,300	24,800
	158,580	188,858

* Under section 249 of the Act respecting occupational health and safety any amount required for the enforcement of the Act and inspection regulations is taken from the monies appropriated annually by Legislature for this purpose.

FUNDS ENTRUSTED TO THE *CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC*

9

Individual fund	1988	1987
	(in thousands of $)	
Participation deposits at adjusted cost (Market value in thousands of $ 1988: $2,653,540; 1987: $2,186,435 Number of units 1988: 2,548,020, 1987: 2,100,639)	2,478,059	2,003,292
Income receivable	62,270	49,071
	2,540,329	2,052,363
General fund Demand deposits	276	250
	2,540,605	2,052,613

Undepreciated balances of gains and losses realized in the sale of securities since 1981 and the difference between the market value of stock securities and their cost are respectively set at $136,916,148 (1987: $155,489,536) and at $35,250,478 (1987: $17,502,752).

Distribution of Portfolio According to Cost	1988	1987
	(in %)	
Bonds	58.36	49.19
Convertible stocks and shares	29.94	32.48
Mortgage financing	4.59	5.63
Real estate investments	2.48	1.96
Short-term securities	2.72	8.90
Demand deposits	0.10	0.27
Other assets	1.81	1.57
	100.00	100.00

10 SELLING PRICE BALANCES

	1988	1987
	(in thousands of $)	
Secured by first mortgage at 7 1/2 %, reimbursable by annuities of $403,085 maturing on December 31, 1998	2,749	2,928
Secured by assignment of subsidy to be paid by the Québec government, reimbursable by annuities of $1,454,705 maturing on December 31, 2006, rate 7 1/2 %	14,119	14,488
	16,868	17,416

11 FIXED ASSETS

	1988			1987
	Cost	Accumulated Depreciation	Net	Net
	(in thousands of $)			
Land	728	-	728	719
Buildings	9,911	3,736	6,175	6,305
Furniture and equipment	13,776	9,577	4,199	4,954
Rolling stock	331	212	119	27
Leasehold improvements	4,725	2,548	2,177	760
Data processing equipment	16,611	10,310	6,301	8,948
Telecommunications system	1,244	1,027	217	277
	47,326	27,410	19,916	21,990

12 PROVISIONS FOR REIMBURSEMENT OF ASSESSMENTS

	1988
	(in thousands of $)
Provision for reimbursements with respect to Sections 99,3, 99,5, and 111,7 of the Workmen's Compensation Act *	125,000
Provision for reimbursements to businesses under federal jurisdiction **	55,000
Provision for reimbursements with respect to economic stabilization and rehabilitation benefits programs ***	7,000
	187,000

*** Provision for reimbursement with respect to Sections 99,3, 99,5, and 111,7 of the Workmen's Compensation Act**

On April 11, 1988, the Commission adopted a new policy for recalculating the contributions of employers affected by the Regulation respecting the system of merit or demerit rating for assessing an employer (Decree 1628-86 of October 1986) on charging costs under Sections 99,3 (worder handicapped as a result of a previous accident) and 99,5 (accident attributable to a third party) of the Workmen's Compensation Act. Its retroactive application will necessitate a re-calculation of non-prescribed assessments, in order to reimburse employers for previous overpayments.

In addition, the Commission decided to retroactively enforce a Management Committee May 1984 decision not to charge the cost of occupational diseases to the employer, in accordance with Section 111,7 of the Workmen's Compensation Act. This retroactive application will necessitate the re-calculation of non-prescribed assessments, to reimburse employers affected by this decision, for overpayments of previous years.

**** Provision for reimbursements to businesses under federal jurisdiction**

On May 26, 1988, the Supreme Court of Canada issued a decision stating that the Act respecting occupational health and safety (R.S.Q. Chapter S-2.1) did not apply to businesses under federal jurisdiction. Certain employers could claim the portion of contributions that they had to pay to finance the application. This provision covers the contributions collected from 1981 until December 31, 1988 inclusively.

***** Provision for reimbursements with respect to economic stabilization and rehabilitation benefits programs**

Some employers claimed in court that job search, economic stabilization, and social stabilization programs for victims of employment injuries that occurred before August 19, 1985, were illegal. Two Québec Court of Appeal judgments upheld the employer's claim and cancelled the various rehabilitation programs of the Commission. The Supreme Court of Canada refused the Commission the right to appeal. The Act entitled, "Act to amend the Act respecting industrial accidents and occupational diseases and the Workmen's Compensation Act" (1988, Chapter 66), assented to and enforced on December 23, 1988 prescribes that employers that have contested the validity of the programs may not be held responsible for the costs resulting from expenses incurred by the Commission in implementing these programs since October 20, 1982. This Act also provides the terms and conditions for reimbursing these employers to whom, among others, no interest is payable on the sums reimbursed.

BALANCE DUE ON PUBLIC SERVICE PENSION PLAN 13

An actuarial valuation set at $49,787,000 the Public Service Pension Plan liability charged to the Commission as a result of services rendered by employees of the Commission before December 31, 1975. The Commission has been reimbursing this amount since December 31, 1978, by means of 23 equal annual instalments of $4,923,000, including capital and interest at a rate of 7.90% in 1988 decreasing to 6.66% in the year 2000.

Capital reimbursements to be paid over the next five years respectively are:

1989	$ 1,947,400
1990	$ 2,138,800
1991	$ 2,340,400
1992	$ 2,549,200
1993	$ 2,768,600

14 ACTUARIAL RESERVE

	1988	1987
	(in thousands of $)	
Present estimated value of future payments to employment injury victims and pregnant or breast-feeding workers	**5,065,006**	4,772,719

The actuarial reserve includes a provision for the change of $407,447,000 in the real rate of return (1987: $235,290,000). The difference of $172,157,000 for the period includes a sum of $12,014,931, resulting from a change in the reference rate stated in Note 3.

Level of Capitalization

The level of capitalization of actuarial reserve and other liabilities entered in the books on December 31, 1988, is 57.91% compared to 51.65% on December 31, 1987. These percentages were established according to the proportion of assets over liabilities.

Consistency of Actuarial Reserve

	1988	1987
	(in thousands of $)	
Balance at beginning	**4,772,719**	4,389,284
Increase for expenditures		
Present estimated value of future payments to employment injury victims and pregnant or breast-feeding workers		
- before extraordinary item	**307,522**	289,977
- changes in assumptions and in the method of calculating actuarial reserve	**(15,235)**	(100,111)
Less: Write-off of the reserve for Special Disaster Fund	**-**	(6,653)
	(15,235)	93,458
	292,287	383,435
Balance at end	**5,065,006**	4,772,719

COMMITMENTS AND CONTINGENCIES

15

Commitments

On December 31, 1988, the Commission was committed to leases totalling $55, 879, 587 (1987 : $48, 344, 962) for rental of space. These leases extend over a period between one and ten years with a renewal option upon expiry. A clause provides for rent review based on operation cost and tax increases.

Payments over the next five fiscal years, based on the rental amount at December 31, 1988, are respectively:

1989	$ 10,530,702
1990	$ 10,302,458
1991	$ 8,549,198
1992	$ 7,653,384
1993	$ 6,821,837

In addition on December 31, 1988, the Commission was committed to various equipment-leasing and service contracts for an estimated total of $27,793,000. Anticipated annual payments for these contracts, which extend over a period of one to five years are respectively:

1989	$ 13,592,000
1990	$ 6,135,000
1991	$ 5,120,000
1992	$ 1,923,000
1993	$ 23,000

Contingencies

Interpretation of Section 556 of the Act respecting industrial accidents and occupational diseases

In July 1987, the Québec Superior Court issued a ruling stating that Section 556 of the Act respecting industrial accidents and occupational diseases (AIAOD) violated the Canadian Charter of Rights and Freedoms.

As a result of this judgment, which was appealed, injured workers who were compensated under the Workmen's Compensation Act and became victims of a recurrence, relapse or aggravation after August 19, 1985, would be ensured an income replacement indemnity, higher than that provided under Section 556 of the AIAOD. This indemnity would then be calculated according to Section 70 of this Act without taking into account the annuity already granted as compensation for the decrease in ability to work.

Under these circumstances, management is not in a position to reasonably assess the amount at stake.

Businesses Under Federal Jurisdiction

On May 26, 1988, the Supreme Court of Canada issued a judgment to the effect that the Act respecting occupational health and safety was not applicable to businesses under federal jurisdiction.

In the wake of this ruling, the Commission decided to reimburse to these employers assessments that were wrongfully paid, including interest at 5% per annum. As stated in Note 12, these refunds are estimated at $55,000,000.

Moreover, lawsuits have recently been filed in the Québec Superior Court by several out-of-province transportation firms which consider themselves to be under federal jurisdiction. They are claiming complete reimbursement for assessments paid to the Commission for 1981 to 1988 inclusively, not just the portion of assessments applicable under the Act respecting occupational health and safety. In addition, these firms are claiming interest on their eventual reimbursements at the rate set under the Act respecting the Ministry of Revenue, instead of the 5% rate established by the Commission. These lawsuits amount to approximately $35,000,000, not including the claim for interest.

As far as the previously mentioned contingencies are concerned, all of the Commission payments, if need be, excluding the reimbursement of the estimated $55,000,000, will be allocated as an adjustment to previous fiscal years.

16 OTHER MANDATES OF THE COMMISSION

The Commission pays benefits to employment injury victims on behalf of employers who are personally responsible for the payment of such benefits. These employers subsequently reimburse the Commission.

The Commission is also responsible for compensating victims under the Crime Victims Compensation Act and the Act to promote good citizenship. The Government of Québec reimburses the Commission for these benefits.

In addition, under the Government Employees Compensation Act, the Commission is responsible for compensating federal civil servants who suffer employment injuries. The Government of Canada and its agencies reimburse the Commission for these benefits.

Commission expenditures for these benefits were divided as follows:

	1988	1987
	(in thousands of $)	
Employers personally responsible for payment of benefits	21 134	30 967
Crime Victims Compensation Act and Act to promote good citizenship	15 709	16 125
Government Employees Compensation Act	9 583	10 039
	46 426	57 131

As they are completely reimbursed, these benefit expenditures and their reimbursements do not figure in the Commission's income and expenditure statements.

EMPLOYER CONTRIBUTIONS TO PENSION PLANS

17

The Commission's employees subscribe to the Public Service Pension Plan and to the Government and Public Agency Employees' Pension Plan, which are administered by the *Commission administrative des régimes de retraite et d'assurances*. Since July 1, 1982, the cost of these plans has been shared equally between employees and employers. These are fixed-benefit plans and provide retirement and death coverage. The Commission's contributions charged to the year-end statement amount to $4,221,612 (1987: $4,068,849). The liability of the Commission toward these government plans is restricted to its contributions for current services as an employer.

Major Achievements in 1988

Vice-president, Finance

The Vice-president, Finance is responsible for the planning, coordination and control of financial services, budget planning and accounting services. It administers the CSST's Computer Branch, and the Commission's statistical and management information systems. The Vice-presidency consists of five branches: Actuarial Services, Analysis and Information Management, Budget Planning, Financial Services, and Systems.

During the 1988 fiscal year, in addition to activities inherent to its responsibilities, the Vice-presidency, Finance devoted its efforts to revising the Commission's method of assessment rating and reorganizing its computer systems.

In the area of assessment, the department completed major studies in 1988. These studies were conducted in response to repeated complaints from employers and as a follow-up to the analysis of the problems of the current financing method, which was delivered to the Board of Directors in 1987. The goal was to find solutions and propose to Québec employers, a more equitable method of assessment that would conform more closely with insurance rules and provide more of an incentive to prevention.

Under the direction of the Vice-president, and guided by the various statistical analyses carried out by the Actuarial Services, the management team worked all year to develop a plan for a new method of assessment, designed to meet the abovementioned objectives. In addition to the plan's design, which would be ensured primarily by the Commission's actuaries, the plan was required to include an implementation schedule for the 1990 assessment, and an extensive program of information and consultation for employers and workers.

To propose practical and realistic solutions to the problems raised, the authors of the new method of assessment examined plans currently in effect elsewhere in Canada and the United States, and evaluated the appropriateness of integrating some of our neighbour's terms and conditions into the Québec systems.

By late 1988, the project design, the information and consultation program, as well as the implementation schedule were sufficiently advanced to enable the project to be presented to the Board of Directors in early 1989.

The analyses showed that the Commission's current computer systems were less than effective as providers of administrative information. Corrective measures applied in 1988 took the form of the implementation of information management systems, and a corrective plan, centered around the production of information corresponding to the needs of the various hierarchical levels in the Commission. This will enable the CSST to have two management guidance systems in 1989, one adapted to the decision-making needs of upper management, the other providing managers with a better follow-up of their operations. The data contained in this system pertain to the evolution of the number of work accidents and their cost by region. They supplement the information in the financial statements, as well as the estimated financial statements provided to upper management.

From a longer-term perspective, the Vice-presidency, Finance worked in 1988 to develop a master plan for the Commission's information systems. This exercise will serve mainly to determine the route to be taken to bring information management and computer systems development in harmony with the Commission's strategic policies, as well as its approach to users and its internal method of operation. The master plan, to be completed in early 1989, will establish the evaluation of current systems in relation to new objectives and the new operating concept. It will describe the new system of target information, propose an action plan and include an assessment of costs and benefits.

Assessments

Employer assessments reached $1,437.7 million in 1988, including a $28.2 million adjustment to the final assessment of previous years. This assessment income increased by $251.5 million or 21.2% over 1987.

In face of strong economic activity, employers declared a total payroll of $52.3 billion, compared to $48.8 billion in 1987. In addition, the maximum insurable wage rose from $35,500 to $36,500 in the same period.

However, this significant rise in assessment income is mainly due to the rise in the average assessment rate. This rate, which was $2.50 per $100 of insurable wages in 1987, was set by the Commission at $2.75 in 1988, a 10% increase. The rate for 1989 remains unchanged at $2.75 and the maximum insurable wage increases to $38,000.

In accordance with the provisions of the Act respecting industrial accidents and occupational diseases, the Commission set its assessment rate in 1988 to cover but 90% of the cost of employment injuries occurring during the year, and without provision for the recovery of the actuarial deficiency caused by employment injuries that occurred before January 1, 1986.

On December 31, 1988, there were 176,561 active employer files at the Commission. These employers were divided in 874 units whose assessment rates by and large ranged from $0.19 to $15.45 per $100 of insurable wages. The units were also grouped in 34 classes. Of these 34 classes, only 6, representing 13 units (441 employers) were assessed at a higher rate.

Merit/Demerit Plan

The main goal of the merit/demerit plan is to encourage accident prevention among employers.

Income of the Commission - 1988
(in millions of $)

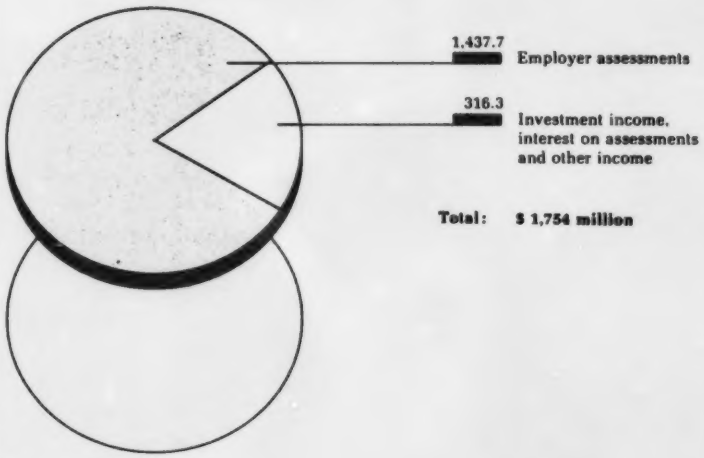


TABLE 2

Merit or Demerit Calculated in 1988

1985 Assessments			Merit		Demerit	
			Number of Employers	Average Merit	Number of Employers	Average Demerit
$50,000	to	$100,000	412	$11,579	521	$21,014
100,000	to	200,000	209	25,854	269	38,031
200,000	to	500,000	114	49,596	127	77,798
500,000	to	1,000,000	36	121,266	34	155,578
1,000,000	to	2,000,000	15	328,945	19	230,689
2,000,000	to	4,000,000	10	295,784	3	523,028
4,000,000	to	8,500,000	4	891,796	1	835,464
8,500,000		and over	2	1,231,134	1	966,861

As well, it is intended to acknowledge that employers with the same assessment rate within the same unit may have differing occupational injury records. To some extent, it allows for a more equitable sharing of the costs of the plan administered by the Commission.

Merit or demerit is calculated three years after the year to which it applies. The procedure is explained by the fact that a work accident involves expenses which extend over the calendar year during which the accident occurred. Overall, the expenses caused by an accident are not significant until a three-year period has expired.

The method of calculation enables assessments the employer pays to be compared with the total amount of expenses for accidents his workers have suffered. First, the available assessment is determined by subtracting from the final assessment for the relevant year, an amount related to certain financial requirements, which by nature must be supported by the employers as a whole. The designated cost of the demerit limit (the limit being 50% of the final assessment), is then subtracted to obtain the net assessment.

This net assessment is then compared with the sum of expenses that have accumulated over a three-year period and for accidents that occurred during the year in question. The employer whose expenses are lower than his net assessment earns, as merit, the difference between these two amounts. If the expenses are higher, he must pay the excess up to a limit of 50% of his final assessment. Merit or demerit is spread over three years.

Special class employers, and those whose contribution was less than $50,000 in 1985, or whose files were closed on December 31, 1987, were not eligible to the plan in 1988.

In 1988, 1,777 employers were affected by this plan. Eight hundred and two employers earned merit for a total amount of $34.1 million, and 975 demerit, for a total of $44.1 million.

Commission's Financial Position at 1988 Year End

The Commission's total income for the year ended December 31, 1988 was $1,754 million, compared to $1,435.9 million in 1987, an increase of 22.2%.

Employer assessments contributed considerably to this increase since assessment income reached $1,437.7 million in 1988, from $1,186.2 million in 1987, an increase of $215.5 million. They represent 82% of total income.

Income derived from investment and interest on assessments reached $315.2 million in 1988, an increase of $68.1 million.

Compared to 1987, the Commission recorded an increase of $318.1 million in total revenue, chiefly because of the increase in the average assessment rate from $2.50 to $2.75 and prolonged healthy economic activity in most sectors.

In 1988, the Commission's total expenditure, before extraordinary items, reached $1,479.1 million, compared to $1,422.9 million for 1987, an increase of $56.2 million. This variation is partly attributable to the cost of compensation programs, which increased by $22.1 million, or 1.9%. The cost of these programs actually increased from $1,189.2 million in 1987 to $1,211.3 million in 1988.

However, the cost of the protective reassignment of the pregnant or breast-feeding worker program increased by 4.8%, to $39.2 million in 1988, from $37.3 million in 1987.

Prevention program, administrative and other expenditures were $228.6 million in 1988, compared to $196.4 million in 1987, an increase of $32.2 million, or 16.4%.

As a result of changes to assumptions and the method of calculation, the Commission recorded a decrease of $15.2 million in 1988, under the extraordinary item category in its statement of income and expenditure, compared to an increase of $93.5 million in 1987. The Commission included the sum of $187 million under provisions for reimbursing assessments.

Excess of income over expenditure was $103.1 million in 1988, compared to a deficit of $90.7 million the previous year.

This excess of $103.1 million of income consisted of two items:

- a sum of $298.5 million, representing unfunded expenditure under the financing method in force in 1988 under the Act respecting industrial accidents and occupational diseases;

- a sum of $401.6 million, representing excess income over expenditure for the fiscal year for programs and operations that the Act allows to be financed by assessments.

The excess income over expenditure thus created reduces the unfunded liability, which fell to $2,257.3 million on December 31, 1988, compared to $2,360.4 million on December 31, 1987.

The capitalization level of the Commission's funds increased by 6.26% on December 31, 1988. This figure, set as a ratio of asset to liability, is now 57.91%, compared to 51.65% on December 31, 1987.

Commission's Level of Capitalization from 1979 to 1988 (in billions of $)

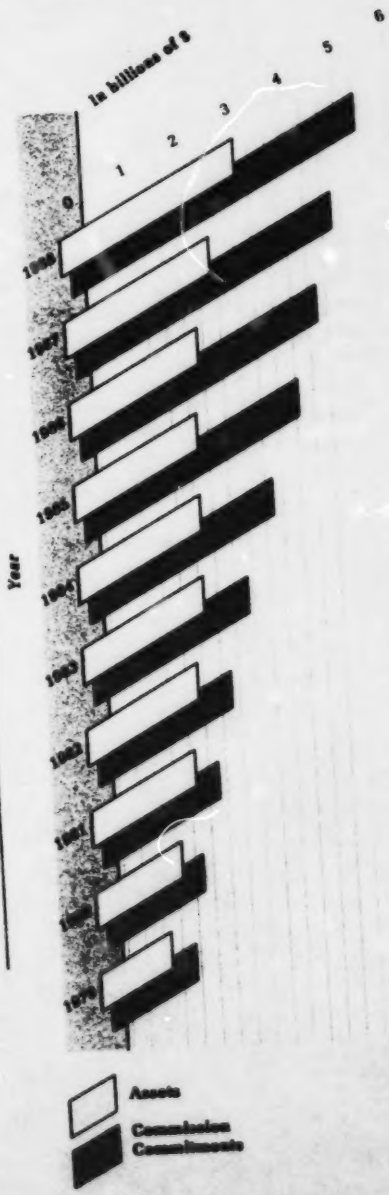


TABLE 3

Commission's Level of Capitalization from 1979 to 1988 (in thousands of $)

Year	Assets[1]	Commission Commitments[2]	Capitalization (%)[3]
1979	1,164,543	1,608,481	72.4
1980	1,416,497	1,809,765	78.3
1981	1,707,228	2,203,014	77.5
1982	1,897,841	2,577,368	73.6
1983	2,091,543	2,958,235	70.7
1984	2,117,340	3,440,250	61.5
1985	2,146,935	4,017,701	53.4
1986	2,233,961	4,462,094	50.1
1987	2,521,634	4,882,014	51.7
1988	3,105,620	5,362,853	57.9

1. Corresponding to the assets appearing in the financial statements after adjustments for 1979 to 1982 inclusively to account for the reported costs transferred to unfunded liability in 1983.

2. Corresponding to the liability appearing in the financial statements after adjustments for 1979 to 1982 inclusively, to account for the gap between the mathematical and the notional reserves entered in the books in 1983.

3. Set as ratio of asset to liability.

The Act to amend the Act respecting industrial accidents and occupational diseases (1988, Chapter 34), assented to and brought into effect on June 17, 1988, allows the Commission to finance the full cost of employment injuries occurring in 1989 and after, and reduce the actuarial deficit if need be.

Management of Funds

On December 31, 1988, the Commission's total assets reached $3,105.6 million, 81.8% of which were deposited with the *Caisse de dépôt et placement du Québec* where the Commission is the sole holder of an individual fund. The Commission makes its own short-term investments, but under the Act respecting industrial accidents and occupational diseases, it must deposit with the *Caisse de dépôt et placement du Québec* monies it does not foresse needing in the short-run, to be able to cover benefits or administration costs.

For short-term investments, the Commission deals with Canadian chartered banks and savings and loan institutions governed by the Savings and Credit Unions Act (RSQ, c. C-4) and real estate brokers authorized by the Bank of Canada and operating in Québec. Investments are placed with the institution offering the best return on investment instruments and investment limits authorized by the Commission.

The funds deposited in the *Caisse de dépôt et placement du Québec* now stand at $2,540.6 million, compared to $2,052.6 million in 1987.

TABLE 4

Distribution of Commission Funds Entrusted to the Caisse de dépôt et placement du Québec *according to their Realizable Value on December 31, 1988*[1] *(in millions of $)*

	1988	%	1987	%
Bonds	1,521.3	56.0	1,063.5	47.6
Stocks and convertible assets	884.4	32.5	774.1	34.6
Mortgages	117.9	4.3	121.1	5.4
Real estate investments	73.8	2.7	46.4	2.1
Short-term investments and demand deposits	73.6	2.7	197.3	8.8
Miscellaneous assets	47.4	1.8	33.8	1.5
	2,718.4	100.0	2,236.2	100.0
Other liabilities[2]	64.8		49.8	
TOTAL	**2,653.6**		**2,186.4**	

1. The distribution of the portfolio as a percentage of cost appears in note 9 of the financial statements.
2. Last quarter income not yet collected.

TABLE 5

Commission Expenditure In 1988

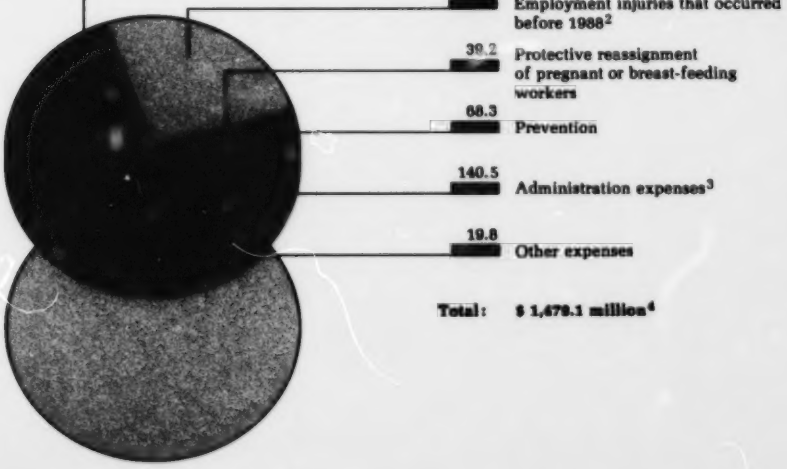
CATEGORY	(in thousands of $)	%
Employment injuries that occurred in 1988[1]	837,182	56.6
Employment injuries that occurred before 1988[2]	374,145	25.3
Protective reassignment of pregnant or breast-feeding workers	39,150	2.7
Prevention	68,291	4.6
Administration expenses	140,482	9.5
Other expenses[3]	19,822	1.3
TOTAL[4]	**1,479,072**	**100,00**

1. Including $250.4 million spent in 1988 and $586.8 million transferred to the actuarial reserve. Under the Commission's current financing method, only 90% of these costs are financed by employer assessments.
2. Difference between annual expenditure of $653.7 million and an amount of $279.5 million drawn from the reserve.
3. Bad debts, interest on balance owed to the Public Service Pension Plan for service prior to December 31, 1973, and administration expenses for the *Commission d'appel en matière de lésions professionnelles*.
4. Excluding extraordinary items.

Their realizable value was set at $2,653.6 million on December 31, 1988, an increase of $467.2 million, compared to that of 1987. These investments returned an income of $210.6 million (as accounted for by the *Caisse)*, or 9.16%, a decrease of $12.6 million compared to last year. The diversification of this investment portfolio into stocks, mortgages, and real estate, undertaken a few years ago, avoids the risk of concentrating funds in a single type of investment.

It should be stressed that, under the Commission's financing method, the investment income is automatically deposited into the actuarial reserve to ensure it is sufficient.

CSST Expenditure - 1988
(in millions of $)



Vice-president, Operations

The Vice-president, Operations is responsible for the coordination and control of regional office activities affecting the provision of services to the Commission's varied clientele. In accordance with the laws, regulations, policies and standards, he administers measures to eliminate the sources of hazards to health, safety and the workers' physical well-being, as well as the provisions for compensation of employment injuries and their consequences to injured workers. The Vice-president, Operations also directs regional financing activities, in cooperation with the Vice-president, Finance, who is responsible for policy and development in this area.

To exercise its mandate, the Vice-presidency, Operations includes a Networking Branch whose role is to supervise the operations of the regional branches; an Operations Support Branch, which is mainly centered around counselling support; an Operations Training and Technological Support Branch; an Operations Control and Evaluation Branch, which is quality-control and results oriented; and a Medical Services Branch, which functionally supervises the medical staff in the region. The Crime Victims Compensation Branch also forms part of this vice-presidency.

In 1988, the Vice-president, Operations began to reorganize the regional branches. A product of the Quality of Work and Efficiency Improvement Program *(Programme d'amélioration de la qualité du travail et de l'efficience - PAQTE)*, established in 1987, this reorganization is intended, structurally, to provide more uniformity in the size of regions, and functionally, to institute a uniform method of operation based on operational effectiveness and efficiency, as well as the improvement of service to users.

Before the regional service reorganization project was established, the Commission provided services through fourteen regional branches of varying size (from less than 30 employees in the Gaspésie—Iles-de-la-Madeleine regional branch to 360 on the Island of Montréal).

This reorganization into equally sized branch units provides a basis for analysing and comparing of the results of different regions and ensuring a more efficient use of resources. Once an optimum size is identified, the client can count on a service which is both professional and personalized.

By June 1989, twenty one regional branches will have been installed in the territory following the rise of offices on the Island of Montréal, in Québec City and Montérégie. Thus, five regional branches have been formed on the

Island of Montréal, based not on geographic divisions, but according to a distribution of economic sectors. The former Montérégie regional branch is subdivided into three geographically distinct regional branches: Longueuil, Richelieu-Salaberry and Yamaska. The former Québec City regional branch is split into two: the part located on the north shore has become the Québec City regional branch, while the section on the south shore of the Saint-Laurent is now the Chaudière—Appalaches regional branch.

From a functional perspective, the regional reorganization is aimed at integrating prevention-inspection and compensation-rehabilitation services into one administrative unit, while retaining the specialization of each officer. This integration of the overall operational functions enables the firm's real problems to be identified and, as a result, affords the Commission a clearer perception of what action is necessary to ensure the workers' occupational health and safety.

To ensure the integration of operations, each regional branch is made up of health and safety services combining the rehabilitation-compensation and prevention-inspection activities for one group of establishments. As well, an Administrative and Specialized Activities Service groups regional activities to be treated in the same administrative unit as follows: reception and telephone information, protective reassignment program for pregnant or breast-feeding workers, compensation for bodily injury and death, financing and administration, etc. The directors of a service report to a regional director, who is also responsible for legal services, communications, medical services and specialists in compensation, rehabilitation and prevention-inspection services.

In addition to setting up an operational structure aimed at more efficiency, the Vice-president, Operations updated criteria allowing him to measure the evolution of regional branch interventions on a quarterly basis, in relation to the Commission's objectives.

The Vice-president, Operations' primary duty is to coordinate and control the Commission's operations in the regions, to provide uniform interventions in conformity with the laws and regulations. To this end, the Vice-president has promoted in the counselling units the creation of training and operations-support programs for regional-branch personnel. These include: management training programs, the development of an intervention framework for the regional physicians and, in cooperation with the other Vice-presidents concerned, the establishment of an intervention framework in rehabilitation, as well as the computerization of the processing of rehabilitation cases.

The concern with quality of service and uniformity can be seen in the content of training provided to the additional staff hired by the regional branches. Indeed, the new compensation officers and rehabilitation counsellors have received a job orientation course, conceived by the Commission's internal resources, to prepare these new employees for their varied daily duties. The legal framework, the eligibility process, the medical follow-up, rehabilitation, and appeal mechanisms, etc. were among the themes adopted.

This desire to provide quality service to the varied users was translated into training sessions on communication, offered to industrial-sector and construction inspectors and information clerks.

During 1988, the Vice-president, Operations contacted the medical federations to inform the physicians of the procedure for treating an employment injury claim, and the role allotted to the various persons responsible, inside as well as outside the Commission. This course will be followed during 1989, while various themes will be addressed: medical consolidation, functional limitations, temporary assignment, and scale of bodily injuries in particular. The Vice-president, Operations places great emphasis on establishing links with the medical field to facilitate and accelerate the handling of the cases.

Having established a new structure for operating within the network of regional branches in 1988, the Vice-president, Operations plans to consolidate this action for 1989, mainly through staff training at all levels. Thus individual intervention frameworks will be submitted to regional branches, especially in the field of the prevention-inspection, and in the process for determining the eligibility of claims relating to an employment injury. An operational management information system will facilitate administrative intervention in the context of cost control and improvement of services.

Scale of Bodily Injuries Regulation

The Scale of Bodily Injuries Regulation came into effect on October 1, 1987. This regulation allows the physician to estimate the percentage of permanent physical or mental impairment of beneficiaries and enables the Commission to pay the compensation for bodily injury prescribed by the Act.

The scale being innovative in comparison with the previous one adopted under the Workmen's Compensation Act, negotiations were undertaken with the *Régie de l'assurance-maladie du Québec* and the medical federations, leading to a complete revision of the method of determining fees, and the addition of new medical administrative acts. The new method for determining fees was distributed to the physicians in May 1988.

In late 1987, the Commission hired the necessary personnel and set up an automated system for processing cases, in order to speed up lump-sum payments to beneficiaries. On December 31, 1988, a total of 60,000 claims had accumulated since the enforcement of the Act respecting industrial accidents and occupational diseases on August 19, 1985. The Vice-president, Operations is committed to accelerate the rate of processing these cases, so that all these cases will have been processed by the end of 1989. On February 28, 1989, approximately 10,500 cheques had been sent to workers, some 17% of the backlog, for payments totalling over $41 million.

Accident Notices and Claims

The Commission opened 261,905 new files on industrial accidents, occupational diseases or deaths in 1988. Claims were made under the Workmen's Compensation Act; the Act respecting industrial accidents and occupational diseases; and the Federal Government Employees Compensation Act. Slightly fewer files were opened in 1988, than the 263,889 opened in 1987. The number of files on industrial accidents or occupational diseases involving a payment for time off work or for death decreased by less than 1%, from 217,291 in 1987 to 215,867 in 1988. It should be noted that an increase of 57% between 1987 and 1988 was recorded in occupational diseases accepted and compensated. This can be explained in part, by the fact that the number of claims accepted and compensated which involved musculo-skeletal illnesses doubled between 1987 and 1988.

In 1988, the Commission also dealt with 27,754 claims involving relapse or aggravation, 5,817 of which were related to injuries that occurred before August 19, 1985. Among the claims processed, 22,588 involved a payment for time off work.

The Commission noted that 129 workers lost their life in 1988 following an accident or occupational disease. This represents a decrease compared to 1987, during which 145 persons lost their lives under the same circumstances.

TABLE 6

Number of Files Opened during the Year, by Incident (1987-1988)

Incident	1988[1]	1987[2]
Industrial accidents		
Accidents involving time off work, accepted and compensated[3]	213,438	215,744
Other accidents[4]	41,750	43,001
Total	**255,188**	**258,745**
Occupational diseases		
Occupational diseases, accepted and compensated[3]	2,429	1,547
Other occupational diseases[4]	4,288	3,597
Total	**6,717**	**5,144**
TOTAL	**261,905**	**263,889**

1. Data of March 1, 1989.
2. Data of February 29, 1988.
3. Includes files opened during the year, and in which a death was noted.
4. Claims refused, still under consideration, or claims made following an injury not involving any time off work.

TABLE 7

Deaths Occurred during the Year, Following Employment Injury (1987-1988)

Incident	1988[1]	1987[2]	1987[3]
Industrial accidents	117	127	167
Occupational diseases	12	18	46
TOTAL	**129**	**145[4]**	**213[5]**

1. Data on March 1, 1989.
2. Data on February 29, 1988.
3. Data on March 1, 1989.
4. The 1987 annual report lists 183 deaths. Of this number, 18 occurred in 1986 and 145, in 1987.
5. It was noted, one year after having produced the 1987 statistics, that the total number of deaths that occurred during 1987 had increased from 145 to 213.

Services Available to Workers and Benefits Paid

In 1988, total disbursements for employment injuries amounted to $904.1 million. Included in this amount are the costs of medical assistance, rehabilitation, temporary disability benefits, income replacement indemnity, permanent disability benefits, death benefits, and compensation for bodily injuries.

The amount set aside for the payment of medical assistance fees rose to $112.5 million, 75% of which was used to reimburse hospital care and professional health services. Physical, occupational, and social rehabilitation expenses rose to $34.2 million. Physical rehabilitation (mainly physiotherapy) accounted for approximately 62% of this amount, 16% for social rehabilitation, and 22% for occupational rehabilitation.

In 1988, indemnities paid to workers were based on maximum insurable earnings of $36,500. Benefits paid to workers for lost time in 1988 totalled $453.9 million, comprising $64.6 million for temporary disability and $389.3 million in income replacement. It should be noted that, compared to 1987, the payments for temporary disability decreased by $22.7 million, while those for income replacement indemnities rose by $26.7 million.

The indemnities paid for temporary disability represent 7% of disbursements for employment injuries. Of these indemnities, almost 66% were paid as income suppport under social and economic stabilization programs, 14% for medical consolidation, and 20%, for rehabilitation.

Income replacement indemnities represent 43% of the total disbursements. Approximately one quarter of these indemnities were paid

Benefits Paid for Employment Injuries - 1988 (in millions of $)

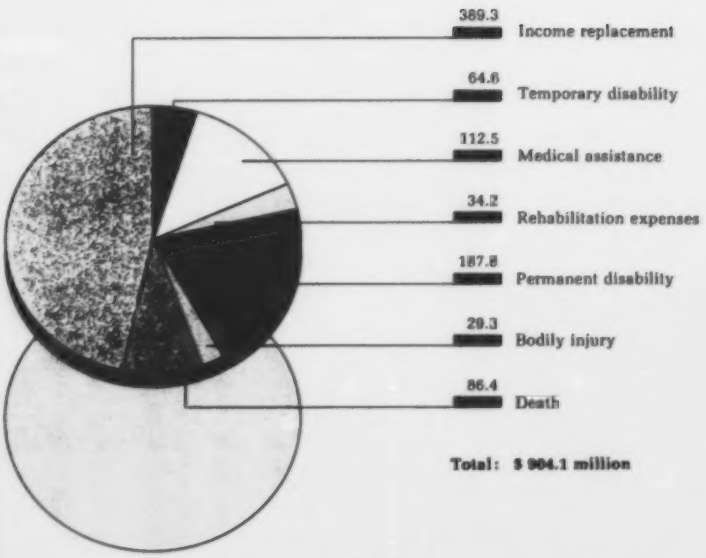


TABLE 8

Distribution of Benefits Paid for Employment Injuries, by Category (1987-1988)[1] (in thousands of $)

Category	1988	1987
Medical assistance and rehabilitation expenses	146,638	146,184
Temporary disability benefits	64,607	87,340
Income replacement indemnity	389,317	362,664
Permanent disability benefits	187,782	212,992
Death benefits	86,398	89,556
Compensation for bodily injury	29,334	0
Total, employment injury compensation	904,076	898,736
Protective reassignment of the pregnant or breast-feeding worker	38,879	37,842

1. Compensation program costs, excluding protective reassignment and extraordinary items, but including the increase in actuarial reserve, total $1,211,327,000 for 1988, compared to $1,189,214,000 for 1987 (see note 4 of the financials statements).

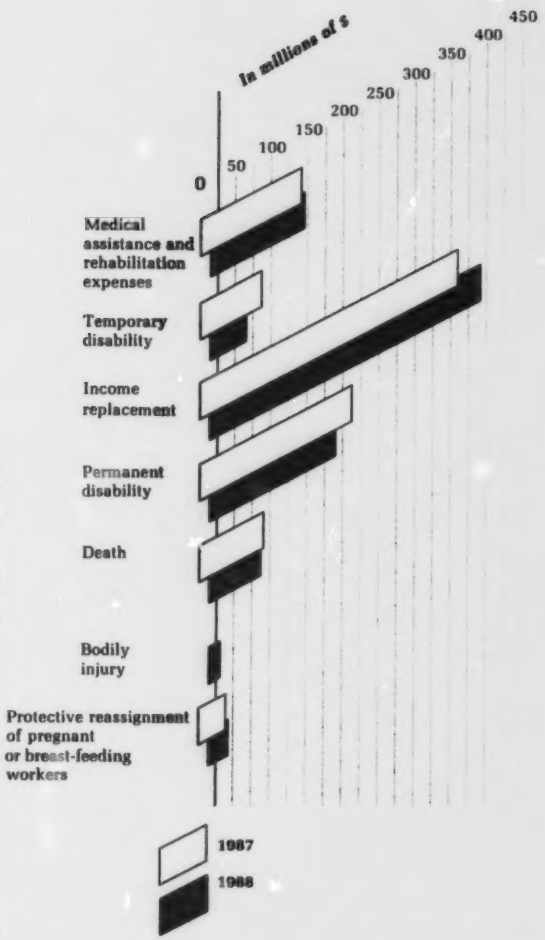
directly by the employers during the compulsory period. The employers are subsequently reimbursed by the Commission.

The Commission offers beneficiaries professional services and financial assistance within programs aimed at helping them resume personal and social independence, return to work or sustain their income. Thus, the workers benefited, among other things, form the occupational training program, the program of subsidies to the employer, retraining and support in the search for employment.

Apart from the payment of indemnities for lost time, the Commission pays annuities. They are paid because of permanent disability or death. The permanent disability annuities are life annuities and are paid to beneficiaries whose injury occurred prior to August 19, 1985. For these beneficiaries, once their injury has healed or stabilized, or the rehabilitation treatment is ended, a permanent physical impairment persists. In 1988, 32,540 persons benefited from such an annuity, 1,317 for the first time. It should be noted that a permanent disability annuity may be paid in the form of a capital payment if it is lower than a monthly amount set at $112.99 for 1988. Thus, during this year, 2,413 beneficiaries received such capital payments. In all, $187.8 million were paid for permanent disability, or 21% of total disbursements for employment injuries, a decrease of 12% compared to 1987. It should be pointed out that, for injuries that occurred since August 19, 1985, the permanent disability annuities have been replaced in part by lump-sum amounts entitled, indemnities for bodily injuries. The Commission began to pay these indemnities in 1988 only, given that the Scale of Bodily Injuries Regulation came into force on October 1, 1987 and, in 1987, no evaluation had yet been received. In 1988, the Commission paid a total of $29.3 million in indemnities for bodily injuries.

Pensions paid following a death differ depending on the time the death occurred. In effect, if the death occurred before or on August 18, 1985, the annuity is a life annuity, while it is temporary (maximum three-year term) if the death occurred after this date. In 1988, 3,991 persons (spouse,

Distribution of Benefits Paid for Employment Injuries, by Category (1987-1988)



survivor, child, other) benefited from a life annuity, 33 of them for the first time, while the Commission paid temporary annuities to 330 surviving spouses, 133 for the first time. As well, the Commission paid temporary annuities to children aged under 18 years, and 229 files were affected by such annuities. A total of $86.4 million was disbursed in the payment of death benefits. Approximately 82% of this amount was paid in life annuities, 5% in temporary annuities, and 13% in lump-sum payments or funeral costs.

Benefits following Protective Reassignment of Pregnant or Breast-feeding Workers

Since 1981, the Commission has been administering the benefit program for pregnant or breast-feeding workers who exercise their right to protective reassignment under the Act respecting occupational safety and health. The purpose of the plan is to allow a pregnant or breast-feeding worker to be immediately reassigned to non-hazardous duties, upon medical confirmation that her pregnancy, or her unborn, breast-fed child may be exposed to a particular hazard.

During 1988, the Commission received 16,113 benefit claims from women exercising this right, compared to 14,337 claims in 1987. This represents an increase of 12.4% for 1988, the same increase that was observed in 1987 compared to 1986. Of these claims, 11,612 (72%) were accepted and 3,056 (19%) rejected; 1,445 (9%) were still under

TABLE 9

Number of Active Annuities Awards during the Year, by Governing Legislation (1987 - 1988)

Act	1988	1987
Workmen's Compensation Act		
Permanent disability annuities		
Industrial accidents	27,297	31,677
Occupational diseases	5,243	5,779
Total	32,540	37,456
Death benefits		
Surviving spouses	2,707	3,497
Children	1,215	1,420
Other dependents	69	77
Total	3,991	4,994
Act respecting indemnities for victims of asbestosis and silicosis	182	204
Act respecting industrial accidents and occupational diseases		
Death benefits		
Surviving spouses	330	255
Minor children	229[1]	154[1]
Total	559	409
TOTAL	37,272	43,063

1. One file may include more than one child's annuity. Data in this table refer to the number of files rather than the number of children's annuities. As a result, the actual number of children's annuities may be higher than indicated.

consideration on March 1, 1989. During 1988, the Commission paid $38,879,000 in benefits, an increase of 2.7% over 1987. Of this number, $29,225,000 were paid for 1988 reassignments, while $9,654,000 were paid for reassignment during previous years. It should be noted that, since August 19, 1985, benefit payments are made according to the provisions of the Act respecting industrial accidents and occupational diseases.

The increase in the number of claims since the plan came into effect stems partly from the fact that workers are more familiar with their rights, the risks which might induce workers to exercise their rights are undefined, and reassignments to non-hazardous jobs are scarce.

Benefits for Victims of Crimes or Rescue Acts (Good Citizenship)

The Commission continued to administer the compensation plans under the Crime Victims Compensation Act and the Act to promote good citizenship in 1988. Benefits and services to which beneficiaries of these Acts are entitled are by and large the same as those provided under the Workmen's Compensation Act which remains in force for this purpose.

In 1988, the Commission received 1,869 claims from crime victims. During the year, the Commission ruled on 1,750 claims: 1,172 were accepted, 433, rejected and 145 files were closed following withdrawal or default by the claimant. The Commission also received 29 claims under the Act to promote good citizenship. Twenty-five decisions were handed down in 1988, 18 claims were accepted and 7 were rejected.

During this period, the Commission paid $15.5 million in benefits under these two Acts. Both benefits and administration expenses are charged to the Province's consolidated fund.

Introduction and Operation of Prevention Mechanisms

At the end of 1988, the Commission had received 1,165 or 56% of the prevention programs expected from Group I establishments, 523 or 65% of those expected from Group II, and 1,458 or 56% from Group III. On December 31, 1988, the Commission had also received a total of 2,755 health programs from establishments of 21 or more workers in Group I, 856 programs from those in Group II, and 2 programs from those in Group III.

Among Groups I and II establishments including 21 or more employees, 676 had a health and safety committee on site, which represents 23% of the establishments of this size.

The Safety Representative in an Establishment Regulation has been in effect since August 29, 1984, in establishments from Groups I and II. The Commission has received 313

TABLE 10

Establishments of 21 or More Workers from Groups I, II and III which Have Introduced Prevention Mechanisms (1988)

	Initial Prevention Program[1]	Health Program[2]	Health and Safety Committee[3]	Safety Representative[4]
Group I				
Buildings and public works	365	1,284	11	0
Chemical industry	113	177	40	30
Forestry and sawmills	328	530	167	72
Mines, quarries and oil wells	95	151	52	35
Metal products fabricating	264	613	134	51
Total for group	**1,165**	**2,755**	**404**	**188**
Group II				
Wood industry (except sawmills)	141	301	65	21
Rubber and plastic products industry	135	192	59	28
Manufacturing of transportation equipment	86	138	43	18
Primary processing of metals	64	64	49	29
Manufacturing of non-metal mineral products	97	161	56	29
Total for Group	**523**	**856**	**272**	**125**
Group III				
Public administration	555	0		
Food and beverages	307	0		
Furniture	125	0		
Paper	117	0		
Transportation and storage	354	2		
Total for Group	**1,458**	**2**		
Total	**3,146**	**3,613**	**676**	**313**

1. Although all establishments in priority sectors are required to develop a prevention program, only those with 21 or more workers have to submit a program to the CSST.
2. The health program is part of the prevention program. It is prepared by the physician in charge of the establishment's health services under the terms of the contracts between the Commission and the HC-CHDs.
3. Health and safety committees formed under the Act and for which notice was sent to the Commission.
4. Safety representatives designated under the Act and for whom notice was sent to the Commission by establishments with or without a health and safety committee.

notices designating a safety representative in establishments of 21 workers or more, which represents 11% of such establishments.

Commission Interventions

In 1988, regional prevention and inspection teams paid 45,488 visits to establishments and job sites, an increase of 9.7% compared to 41,479 visits in 1987, and 36% compared to 33,441 visits in 1986. These substantial increases have dramatically supported the integrated prevention operation conducted in target establishments during these two years. The number of files where the Commission intervened in an assistance, evaluation or control capacity, whether incentive or coercive, represented 67.7% of all files processed.

There were 5,299 interventions following a complaint, 742, or 16.3% more than in 1987. The Commission was called upon to intervene in 299 cases of refusal to work, compared to 209 the previous year, an increase of 43%.

The Commission also intervened in 739 cases involving the death of a worker, serious injuries to one or more workers or important material damages. It should be underlined that in 1988, according to data collected by the prevention-inspection teams, the Commission recorded 108 fatal accidents resulting in the death of 114 workers in the workplace. In 1988, Commission inspectors recorded 40,374 cases of non-compliance, compared to 38,489 in 1987. The Commission also sent out 1,178 violation notices compared to 1,145 in 1987.

Redress and Conciliation

In cases covered by Section 32 of the Act respecting industrial accidents and occupational diseases and Section 227 of the Act respecting occupational health and safety, the Commission may sometimes attempt to reconcile the worker and the employer. The Commission's intervention may also be requested in cases covered by Sections 245, 246 and 251 of the Act respecting industrial accidents and occupational diseases. When the Commission is apprised of such a request, it attempts to reconcile the parties, and failing this, hands down a decision.

The Commission received 1,882 complaints or requests for intervention under these various provisions in 1988, a 16% increase over 1,623 complaints or requests in 1987. These files are divided as follows: 495 complaints under Section 227 of the Act respecting occupational health and safety, 1,306 under Section 32 of the Act respecting industrial accidents and occupational diseases, and 81 requests for intervention under Sections 245, 246 and 251 of this Act.

During the same period, persons mandated by the Commission processed 1,731 complaints or requests for intervention. Conciliation was successful in 483 cases. 162 complaints or requests were accepted, 306 rejected, and 395 declared inadmissible. 385 were withdrawn by those who submitted requests.

TABLE 11

Commission Interventions in Establishments and Measures Taken, by Type of Intervention (1988)

Interventions or Measures Taken	Control	Assistance	Evaluation	Investigation	Complaint	Refusal	Dispute	Total
Files								
Received	9,037	659	3,603	739	5,299	299[1]	16[2]	19,652
Re-opened	498	43	528	93	374	40	2	1,578
Closed with intervention[3]	8,087	682	4,737	515	3,605	229	10	17,865
Closed without intervention[3]	426	26	219	179	1,313	37	3	2,203
Visits								
Initial	8,579	575	771	512	3,816	285	14	14,552
Control	24,243	242	317	636	5,136	273	89	30,936
Total	32,822	817	1,088	1,148	8,952	558	103	45,488
Measures								
Non-compliance noted	29,662	255	386	601	9,318	145	7	40,374
Machines stopped	66	0	0	7	43	2	0	118
Premises closed	598	0	4	24	250	4	0	880
Seals affixed	171	1	1	40	96	7	0	316
Violation notices issued	885	3	18	71	199	2	0	1,178
Violation notices paid	469	1	9	40	89	0	0	608
Legal proceedings initiated	470	1	9	60	142	5	0	687
Legal proceedings won	330	1	8	35	91	2	0	467
Legal proceedings lost	156	0	12	15	24	1	0	208

1. Includes well-founded and unfounded rights of refusal, and those settled by the parties.

2. Includes disputes regarding health and safety committees and safety representatives.

3. It should be noted that certain files closed in 1988 were already opened at the beginning of the year.

Vice-president, Planning and Programs

The Vice-president, Planning and Programs is responsible for planning and developing all regulations, policies and standards, in addition to developing and implementing prevention, inspection, rehabilitation, and compensation programs. Her mandate also includes the planning and development of regulations, policies and standards, the development and updating of health service programs. She provides information and scientific documentation services in occupational health and safety, and coordinates liaison and negotiations with the external partners of the *Commission de la santé et de la sécurité du travail*, including the associations, the professional corporations and the medical federations.

The Vice-presidency, planning and programs is composed of the following four branches: Consultation, Program Evaluation and Planning; Occupational Health and Safety Information; Prevention-Inspection Programming; and Rehabilitation-Compensation Programming.

Occupational Health and Safety Information

The Documentation Centre provides documentation services to occupational health and safety interveners as well as the public at large. In 1988, the Montréal and Québec City centres responded to 7,125 requests for information, loaned 5,465 documents, borrowed 7,897 documents from other libraries, and replied to 4,972 requests for photocopies. Moreover, the audiovisual library loaned 3,334 audiovisual documents and added 46 new titles to its collection.

The ISST database, which contains a comprehensive collection of health and safety documentation in Québec, increased by 11,951 new titles, approximately 2,000 of which were received from participants from outside the database. In addition to the Commission and IRSST documentation centres, twelve joint sector-based associations participate in the ISST database. The latter now contains 87,206 titles.

In 1988, 42,360 requests for product information were directed to the Toxicological Index, 13,686 electronically; 37,667 answers were given, or 88.9% of all the questions received. The other questions are awaiting answers from manufacturers. As well, the Index provided responses to 5,462 phone requests for information on 9,117 products, including questions pertaining to the program for pregnant or breast-feeding workers, sampling or refusal of work. 1,222 of these 5,462 telephone requests related specifically to WHMIS. During 1988, 51,477 contaminants were the subject of activities surrounding the Index.

The Toxicological Index databank now contains information on 104,929 products, 7,655 on validated data sheets, and available to the public.

Consultation, Program Evaluation and Planning

The Consultation, Program Evaluation and Planning Branch carries out various activities in evaluation, planning and analysis. A policy framework project for evaluating programs and strategies for evaluations to be conducted during 1989 have been developed. Studies have been commissioned for the purpose of evaluating the joint sector-based associations and the prevention program. These two reports should be completed in 1989. The first phase of the project *"Mieux se prendre en main,"* put forward by the Vice-president, Liaison with Beneficiaries, has been evaluated.

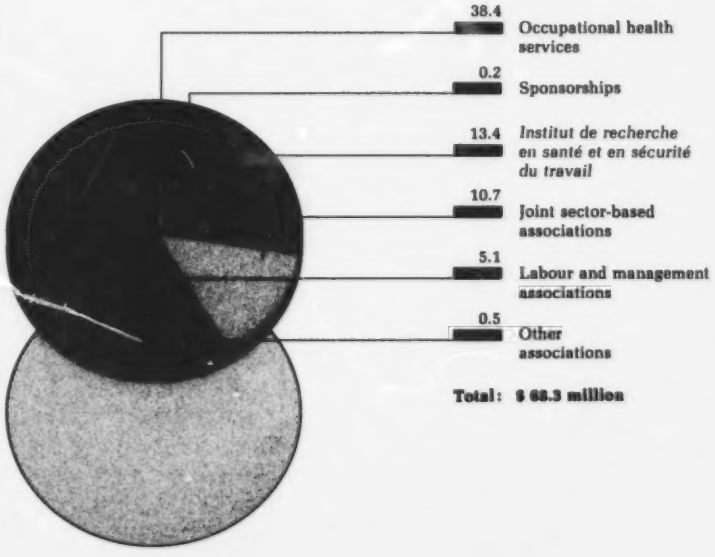
Studies are underway on trends and research in occupational health and safety: the profile of Québec SMBs in relation to employment injuries; demographic trends, sex and age in relation to industrial accidents; characteristics of the rehabilitation services clientele. National and international information bulletins have been designed and are in preparation. Periodical distribution of this bulletin is planned for 1989.

During 1988, a new service of relations with the outside network was consolidated. Responding to the need for better coordination of all external interventions, its goal is to ensure coherence, continuity and efficiency in negotiation, internal consultation and external consultation. The service is responsible for processing requests dealing with the planning and programming goals of the department. Since October 1988, it has administered the policy of staff participation in activities outside the Commission.

The negotiation sector received a major boost in the fall of 1988. No less than twenty understanding or service-contract projects were on the agenda in the CSST's various fields of intervention (WHMIS, programs for evaluating and retraining workers with chronic back problems, courses in basic health and safety on construction sites, etc.).

The service coordinates the work of standing committees on which the Commission is sitting with some of its privileged interlocutors (*ministère de l'Éducation du Québec, ministère de la Santé et des Services sociaux*, building and public works sector, etc.). It also ensures that the CSST is represented on various provincial and federal committees, particularly in the field of standardization. The service conducts the external consultations required under the implementation of new programs. Because of its pivotal role between the inside and outside, the service is frequently approached on different mandates relevant to its overall mission.

Prevention Expenses - 1988 (in millions of $)



Occupational Health Services

In the area of occupational health, the Act respecting occupational health and safety entrusts the public health system with a significant role. The 32 hospital centres with a community health department (HC-CHDs) coordinate development and implementation of specific health programs within their territory. To this end, the Commission has signed service agreements with all of them since 1981.

In 1988, the sums allotted by the Commission to occupational health services reached $38.4 million, $30.2 million[1] of which were transferred directly to the HC-CHDs. The balance of $8.2 million includes reimbursements of $6.4 million to the *Régie de l'assurance-maladie du Québec*, for physicians' fees and $1.4 million to the *Institut de recherche en santé et sécurité du travail* for laboratory activities undertaken on behalf of HC-CHDs and their subcontractors. In 1988, the Commission also paid subsidies amounting to $0.4 million to various employers in sectors not yet designated as priority, for maintaining their health service.

Amounts paid to HC-CHDs in 1988 were based on 788 on-site positions on April 22, 1987, for operational teams and the health service program teams responsible for the development and operation of health programs for the priority Groups I, II and III. These amounts have been indexed, in 1988, for operational teams and program teams, in accordance with the rate indicated by the *ministère de la Santé et des Services sociaux*.

Within the guidelines adopted by the Board of Directors in occupational health services, various projects were implemented, namely, the revision of the pattern contract and the development of a draft agreement with the *ministère de la Santé et des Services sociaux*, two pattern-program drafts, new organizational models and administrative modifications, the evaluation of the role of the physician in charge, and the analysis of the complementary nature of the roles and duties of the various participants in the health and safety field (CSST regional offices, workers, employers, health and safety committees, joint sector-based associations, heads of CHDs, CLSCs, physicians in charge).

Subsidies to Labour and Management Associations

In 1988, the Commission granted $2,832,718 to twenty-two union associations and $1,834,180 to twelve employers' associations to carry out various training and information projects for their members.

Joint Sector-based Associations

Workers and employers who wish to share their experience and obtain professional and technical assistance in prevention, may establish a joint sector-based association. Indeed, the Act provides that employers' and union associations in an economic sector may reach agreement by consensus to this end. The Commission is mandated to facilitate the creation of these associations, and provide them with subsidies and the necessary technical assistance.

In 1988, thirteen joint sector-based associations were in operation in the following sectors: automobile services; chemical; clothing; construction industry; manufacturing of metal and electrical products; manufacturing of transportation equipment and machinery; mines and mining services; municipal affairs; primary textiles; printing; provincial administration; social affairs; transportation and storage.

In 1988, the Commission granted a total of $10,697,938 in subsidies to these associations, staffed by 160 employees and serving over 940,000 workers in 64,500 establishments to enable them to carry out their activities: prevention guides, information and training sessions, technical advice, etc. Each association publishes an annual report on its activities.

1. This amount includes 1988 surpluses: for the "Operational Teams" and "Program Teams", the surpluses to be recovered would be $150,000 and $750,000 respectively.

Prevention-Inspection Programming

In the area of the concept and revision of regulations, the Regulation respecting the quality of the work environment, the Regulation respecting industrial and commercial establishments, and the Regulation respecting the salubrity and safety of workmen in mines and quarries, were the subject of proposals for amendment to bring them in conformity with the International Labour Organization Convention on safety in the use of asbestos, ratified by Canada.

At the same time, a proposal to amend the Regulation respecting the quality of the work environment was examined by a committee of the Board of Directors in order to obtain stricter standards on glass fibres and begin work on man-made mineral fibres.

The Regulation respecting industrial and commercial establishments was updated to correspond with the Act respecting occupational health and safety, to eliminate sections that have become useless and delete those that are not supported by the regulatory powers under this Act.

A study aimed at defining the main problems needing particular attention from the CSST and guiding the actions of all participants towards their solution was also completed.

Two pattern-program projects on back pain and noise were designed; they are currently the subject of consultation. These prevention pattern-programs include health pattern-programs related to these two problems.

In the scope of the Review Committee on the Safety Code for the Construction Industry, two draft regulations were prepared. The regulations dealt mainly with waste disposal chutes, closed hoist devices, sling hooks, fire fighting pipes and the use of safety nets and horizontal safety line. A subcommittee on trenches and excavations has developed a project for amending this safety code as it applies to gradients and the shoring of excavations. This project is being studied by the Review Committee.

The Commission participated with the *ministère des Transports* and the *Association québecoise des transports et des routes*, in a project on road signs to harmonize the system of road signs required by the two agencies.

Under the agreement between the *Commission de la santé et de la sécurité du travail* and the *ministères de l'Éducation et de l'Enseignement supérieur et de la Science*, occupational health and safety elements were included in the professional training programs of several of the building trades. Thanks to the cooperation with these Ministries, a day of training was held for professors involved in vocational training in industrial mechanics, and a course on general safety on construction sites was revised.

Within the framework of the Act respecting labour relations, vocational training and manpower management in the construction industry, the Commission participated in professional subcommittees of the *Commission de la construction du Québec's* Committee on vocational training in the construction industry. The goal is to integrate occupational health and safety elements in the vocational training profiles. Two specific study projects on the occupatinal risks to health and safety are underway, one in the electrical trades and the other in the occupation of roofer.

Other training activities for security guards have begun. For instance, a pilot project to transfer security guard files to the construction industry management has been launched. In cooperation with Cégep Ahuntsic, a course was prepared and given to over 20 security guards.

The Mine Rescue Station Branch trained 460 persons, including 99 recruits. At the end of 1988, a total of 410 persons in 43 underground mines were included in mine-rescue active staff in Québec. Basic, regular and special training in mine rescue amounted to some 12,052 person-hours in 1988. Branch expenditure was $458,591 in 1988. In addition, the Commission paid $939,611 to agencies authorized to give training courses to first-aiders as part of its program in 1988.

Under the right for protective reassignment provided under the Act respecting occupational health and safety, with regard to certain contaminants, the guidelines to be promoted by the Commission have been defined, and a study is underway to outline the contaminants for which this right may be exercised, in consideration of the limits of current scientific knowledge.

Rehabilitation and Compensation Programming

The main activities completed during the year were a follow-up to the review of the problems experienced in the regions, which made it easier to identify needs in the light of the Commission's broad objectives. Thus, particular attention was given to the following issues: eligibility and the right to benefits, the program for pregnant or breast-feeding workers, the prompt return to work, and the process of taking charge of rehabilitation.

The findings of a review of eligibility, led to the development of a critical path for all cases of work accidents, occupational diseases, relapse, recurrence or aggravation. This tool will be distributed and applied in early 1989.

All the aspects of the compensation issue are of an on-going interest at the Commission. Thus, the policies on financial intervention in compensation have been reviewed. The following specific issues were reviewed: the first 14 days and the annual maximum insurable earnings, the assignment of costs, voluntary firefighters, the construction worker, workers without refugee status, etc. In addition, a chart on processing the right to an income replacement indemnity was published.

Important judgments were handed down in the pregnant or breast-feeding worker program, by various decision-making agencies of appeal as well as the higher courts. The program's contents as well as its existing tools were completely revised and a comprehensive action plan was prepared for next year.

Particular attention was devoted throughout last year to improving support to injured workers, to ensure them a prompt return to work. This concern brought about a review of rehabilitation policies and a study of a representative sample of files involving a decision on suitable employment, the validation in the regions of an ergonomic analysis chart, and the review of the steps involved in temporary assignment.

The question of eligibility for rehabilitation and pattern of treatment, specific to the Commission, necessitated a strict analysis and the production of a self-help guide, which outlines the steps and leads to the determination of suitable employment. All practitioners and administrators involved were trained to use this guide which is now being implemented.

Two new projects were also launched for 1989 implementation, one of which is a program to evaluate and re-educate workers suffering from chronic back pain.

Vice-president, Liaison with Beneficiaries

The Vice-presidency, Liaison with Beneficiaries has been in existence for a relatively short time. It was established by the president and chief executive officer in June 1987.

The Vice-president, Liaison with Beneficiaries plays the role of Commission ombudsman. In this respect, she is required to listen, analyse and follow up on claims, information requests, and the complaints from beneficiaries concerning the services they receive or may receive from the Commission, as well as the processing of their file.

The Vice-president is also responsible for counselling the Commission in its relations with the beneficiaries. She informs management of the existence of certain problems and makes recommendations aimed at improving the Commission's relations with the injured workers.

As part of this counselling function, she is concerned particularly with certain groups of beneficiaries experiencing specific difficulties in communicating with the Commission, such as the hearing impaired, the illiterate, etc.

The Vice-president shows a keen interest in the training of employees that interface with beneficiaries so that this training meets user-approach criteria, centered around the needs of beneficiaries in their relations with the Commission.

In addition to participating in the general management of the Commission, the Vice-president provides liaison with the *Protecteur du citoyen, Communication-Québec*, the *Communautés culturelles*, the *Conseil du statut de la femme*, and the *Office des personnes handicapées*. She also represents the Commission in the *Comité interministériel de la Fonction publique*.

This year, the Vice-president conducted several activities and initiated many projects to improve the Commission's relations with its beneficiaries. Some of these projects, such as, the design of a new welcome-kit for the beneficiaries, will be concluded in 1989.

Individual Interventions with Beneficiaries

In 1988, the Vice-president, Liaison with Beneficiaries opened 393 files and replied to as many requests for intervention from beneficiaries from all the regional branches. One file was opened on behalf of a citizen from outside Québec.

These beneficiaries requested the Vice-president's intervention in the form of a study of their file, a follow-up to their complaint, or still, as support or information.

An analysis of the files opened revealed that there are five broad categories of reasons for requesting intervention. The requests for intervention pertain to the following areas in particular:

- the decisions handed down by the Commission, the review offices, the *Commission des affaires sociales* (Commission on Social Affairs), the *Commission d'appel en matière de lésions professionnelles* (Appeal Board on employment injuries);
- the delays encountered in the processing of files of beneficiaries by the Commission, the review offices, the *Commission des affaires sociales*, the *Commission d'appel en matière de lésions professionnelles*, health professionals, employers;
- information needs;
- the need for psycho-social and financial assistance;
- the quality of communications with the civil servants or the health professionals.

To carry out and support her ombudsman's activities, the Vice-president obtained a computerized system with methods for managing these files according to administrative and statistical plans. She has also added an assistant's position to her staff. These measures have enabled the department to handle the requests for intervention within an average of two weeks.

Contact with other Ombudsmen

During the year, the Vice-president contacted and had discussions with the *Protecteur du citoyen du Québec*, as well as individuals with similar roles in parapublic and private organizations.

Regional Visits

Throughout the year, the Vice-president paid visits to the fourteen regional branches. There she met beneficiaries, and spoke with persons responsible for providing information both by telephone and in the office reception areas. She also attended interviews with injured workers, and exchanged ideas with rehabilitation counsellors, compensation officers and administrators. On each visit, she verified eligibility and monitored the quality of reception and services to the beneficiaries.

Information Day: Pour mieux se prendre en main

Aware of the effects a major work accident can have on the entire life of a worker, the Vice-president, assisted by an ad hoc committee, developed and set up a special activity designed for beneficiaries whose accidents date from three to eight months and who have been out of work since that time. Three group interviews, each bringing together some fifteen beneficiaries in this category, and consultations with the Commission personnel have served to build a project that corresponds to the needs of these users.

This was a day of information covering the medical, psycho-social and professional aspects of the life of these injured workers. *Pour mieux se prendre en main* is designed to help beneficiaries take charge during the period following their accident, while preparing their return to work in the context of harmonious relations with the Commission.

In cooperation with the Laurentides regional branch, a first information day was held on October 19, 1988 at Saint-Jérôme. As a result of the feedback obtained from an evaluation of the activity by the beneficiaries and the parties concerned, the Vice-president and her committee were able to improve the content to develop a model for other similar days to be held in 1989.

Vice-president, Services

The Vice-president, Services is responsible for planning and coordinating and managing the Legal Services, Human Resources and Material Resources.

Human Resources:

In 1988, the Commission continued to implement its new operating structure; staffing by competition thus constituted a major activity. Accordingly, the Human Resources Branch held 53 promotion and hiring competitions for all job categories, 20 more than in 1987. These competitions drew over 1,300 applications.

In terms of human resource development, and in order to meet precise training needs, the Commission allowed different groups of employees to participate in specific training sessions adapted to their working environment, offered by firms or outside consultants, such as, *Parole en public, Gestion plus, Thérapie de la réalité, Rapports qui rapportent*, etc.

The year 1988 was also marked by the implementation of a new classification for all supervisors, and a directive for the recognition of a so-called higher complexity level of employment among professionals. Moreover, in the wake of federal and provincial tax reform the Commission's payroll had to be modified. Finally, the salary adjustment for the Commission's employees was made in accordance with the collective agreements in effect.

Material Resources

The Material Resources Branch supports the Commission's mandate through its activities in procurement, property management, record keeping, printing and mailing services.

During 1988, the Commission conducted business with 600 suppliers. Over 2,000 contracts were granted for the acquisition of goods and services, amounting to a total of $36,632,549. A computerized index of suppliers was established in order to reinforce equity and clarity in the rules of procurement. The massive breakthrough of microcomputers and a growing concern for ergonomics have considerably changed the composition of the Commission's overall equipment.

The Commission maintains contact with its clientele through a network of 26 establishments spread strategically throughout Québec. These offices cover a total area of 80,925 square meters, one-third of which were set up during the year.

At the express request of the beneficiaries or for other consultation needs, 21,455 inactive microfilm files were restored. A major activity involved the in-house printing of brochures, forms, monographs and other reproductions. The number of cheques sent to beneficiaries reached 1,200,000 in 1988, an increase of 9% over last year.

TABLE 12

Review Requests Received and Decisions of the Joint Review Offices (1986-1988)

Review requests received	**1988**	**1987**	**1986**
Compensation			
Requests from workers	11,035 (69%)	5,807 (57%)	945 (26%)
Requests from employers	2,428 (15%)	1,270 (12%)	599 (16%)
Financing			
Requests from workers	30 (0%)	14 (0%)	8 (0%)
Requests from employers	1,035 (6%)	849 (8%)	417 (11%)
Prevention-inspection			
Requests from workers	101 (1%)	71 (1%)	166 (5%)
Requests from employers	148 (1%)	108 (2%)	34 (1%)
Disciplinary measures and protective reassignment of pregnant or breast-feeding workers			
Requests from workers	1,048 (7%)	1,158 (11%)	680 (18%)
Requests from employers	239 (1%)	918 (9%)	831 (23%)
Subtotal			
Requests from workers	12,214 (76%)	7,050 (69%)	1,799 (49%)
Requests from employers	3,850 (24%)	3,145 (31%)	1,881 (51%)
TOTAL	**16,064**	**10,195**	**3,680**

Decisions	**1988**		**1987**		**1986**	
	Initial Decision		Initial Decision		Initial Decision	
	Upheld	Modified	Upheld	Modified	Upheld	Modified
Requests from workers	2,794 (65%)	1,497 (35%)	1,372 (65%)	726 (35%)	595 (63%)	352 (37%)
Requests from employers	720 (65%)	384 (35%)	806 (66%)	419 (34%)	790 (76%)	246 (24%)
Subtotal	3,514 (65%)	1,881 (35%)	2,178 (66%)	1,145 (34%)	1,385 (70%)	598 (30%)
TOTAL	**5,935**		**3,323**		**1,983**	

Legal Services

The lawyers in the Legal Services Branch handle all work of a legal nature in addition to their role as consultants on contentious issues.

The central office, consisting of lawyers from the Québec City head office and the Montréal administrative centre, is in charge of coordinating all legal-sector, legislation and regulation files, as well as contentious files that are provincial in nature. It also performs the role of consultant to Commission management and the varied services. It coordinates the Commission's interventions before the *Commission des affaires sociales* and the *Commission d'appel en matière de lésions professionnelles*.

In each regional branch, a lawyer provides legal counsel to the diverse participants in his region. The regional lawyers process cases involving criminal procedures as well as liability lawsuits, files concerning the compensation of victims of crime, recovery files in both outstanding employer assessments, and the inadvertent overpayments of compensation to the beneficiaries. They also represent the Commission in the administrative and civil courts.

Commission's Review Process

Joint Review Offices

The review process established through the enforcement of the Act respecting industrial accidents and occupational diseases on August 19, 1985, has considerably changed the system that prevailed under the Act respecting occupational health and safety. Now joint, these new review offices may now hear appeals related to most of the Commission's decisions, except medical matters. Each review office is made up of three members, a chairperson apppointed by the CSST, a worker representative and an employer representative. The latter two are chosen from a list drawn up by the respective members of the CSST's Board of Directors. The Chairperson and the members are appointed for a one-year, renewable term. The decisions rendered by the offices must be unanimous or majority decisions.

Together, these offices comprise 64 presidents, spread in 1988 over thirteen regional offices and a central team. In 1989, the implimentation of new structures will be completed by the addition of four new offices, thus bringing the number of offices to seventeen.

The number of requests received by the joint review offices has steadily grown since 1986. Thus, between January 1 and December 31, 1988, these review offices received 16,064 requests for review, compared to 10,195 in 1987, an increase of 57%, and to 3,680 in 1986, an increase of 336.5%. Compensation was the subject of 84% of the requests, financing, 6%, prevention-inspection, 2%, disciplinary measures and protective reassignment for pregnant workers, 8%. 76% of the requests came from workers, compared to 69% in 1987, and 24% from employers, compared to 31% in 1987.

During 1988, 6,245 hearings were held and 5,395 decisions handed down. Of these, 84% were unanimous and 16% majority decisions. Initial decisions were upheld in 65% of the cases and modified in 35%. These percentages apply to requests from workers as well as to those from employers.

Review Office WCA

Operations of the review offices for cases under the Workmen's Compensation Act (WCA) are centralized in two offices, one in Montréal, the other in Québec City. During 1988, these review offices settled 2,427 files. In December 1988, the number of active files under WCA review was 1,208.

In 1988, a high proportion of review requests, 84.2%, came from workers. The cases mainly dealt with the assessment of permanent disability (43%), the right to benefits (12%), temporary total disability (6%), and social rehabilitation (10%). The review offices upheld the initial decision in 41% of the cases, and modified it in 59%.

Review Office - CVC - Good Citizenship

The review office for compensation of the victims of criminal acts or acts of good citizenship had 140 active files at the beginning of this period. It received 269 new requests and handed down 269 decisions in 1988, thus maintaining the balance of active files at year's end at 140.

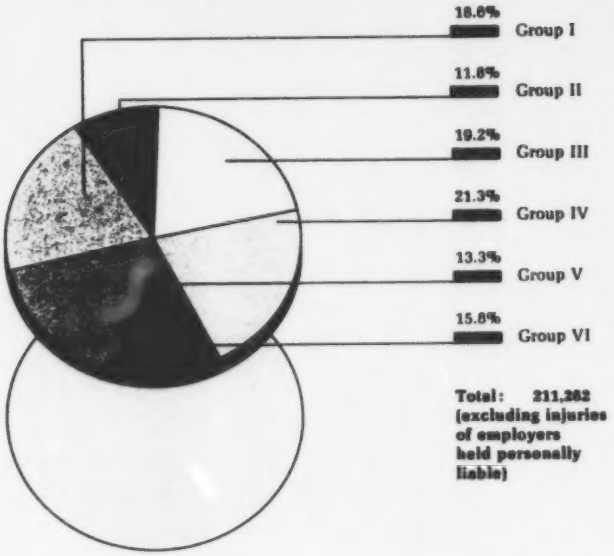
In 1988 requests for review dealt mainly with the assessment of permanent disability, the concept of serious offence and the absence of criminal act. The review office upheld the initial decision in 73% of the cases, modifying it in 27%.

Appeals to the Commission des affaires sociales

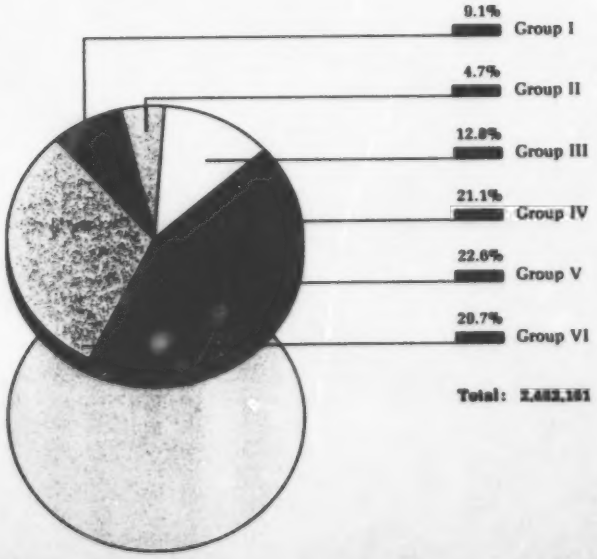
In 1988, 906 appeal statements were produced in the *Commission des affaires sociales* in areas under CSST jurisdiction. During the same period, the C.A.S. handed down 1,610 judgments, 950 (59%) of which upheld review-office decisions, while 660 (41%) of which modified them. At December 31, 1988, the C.A.S. had 6,757 CSST files on hand.

APPENDICES

Distribution of Employment Injuries Accepted and Compensated according to Priority Groups - 1988



Distribution of Workers according to Priority Groups - 1988



Statistics by Economic Sector (1988)

Economic Sector	Establishments[2]	Workers Covered[3]	Prevention-Inspection Intervention Files[1]						
			Control	Assistance	Evaluation	Investigation	Complaint	Refusal	Dispute
Group I									
Buildings and public works	19,512	114,388	3,673	24	1,660	97	805	4	0
Chemical industry	491	26,161	56	13	20	7	54	7	1
Forestry and sawmills	2,577	28,710	426	34	309	57	84	3	1
Mines, quarries and oil wells	521	18,947	176	11	151	39	58	15	3
Manfg.of metal products	2,238	35,793	337	23	108	20	215	8	3
Group II									
Wood industry (except sawmills)	1,333	16,120	231	17	105	26	69	2	0
Rubber and plastic products industry	545	18,222	87	11	31	13	89	14	2
Transportation equipment manfg.	455	39,482	82	22	51	16	59	23	3
Primary processing of metals	140	25,568	69	23	25	24	66	17	1
Manfg. of non-metal miniral products	661	15,087	108	4	38	15	65	7	0
Group III									
Public administration	5,033	138,043	205	200	144	34	283	40	0
Food and beverage industry	1,657	56,963	220	18	32	28	116	8	0
Furniture and furnishings industry	1,342	21,814	97	13	13	5	86	6	0
Paper industry and related activities	240	44,588	134	19	89	60	70	10	0
Transportation and storage	6,894	53,246	297	24	94	35	185	22	1
Group IV									
Trade	50,128	458,203	571	24	73	67	567	10	0
Leather industry	252	7,765	31	3	0	3	27	4	0
Manufacturing of machinery (except electrical)	544	21,416	90	1	9	9	48	6	0
Tobacco industry	17	2,969	3	0	0	0	1	0	0
Textile industry	622	27,965	84	5	8	2	72	5	0
Group V									
Other business and personal services	44,600	397,710	325	25	201	48	418	9	0
Communication, power distr. and other public services	2,089	85,550	118	16	59	35	91	24	0
Printing, publishing and related activities	2,028	32,465	124	1	5	11	88	3	0
Manufacturing of oil and coal products	29	3,216	7	2	4	1	4	1	0
Electrical products	579	34,674	60	11	4	3	85	7	0
Group VI									
Agriculture	14,689	16,314	37	3	3	12	22	1	0
Hosiery and apparel	2,313	65,184	112	3	6	4	93	5	0
Education and related services	4,820	205,320	43	24	4	3	171	5	0
Finance, insurance and real estate	10,936	150,894	71	8	25	2	150	2	0
Medical and social services	10,563	267,382	229	49	4	19	309	18	0
Hunting and fishing	411	311	1	0	1	1	0	0	0
Miscellaneous manufacturing industries	1,058	21,691	41	3	1	2	47	4	0
Unclassified files	5,623	0	892	25	326	41	802	9	1
Total	**194,940**	**2,452,161**	**9,037**	**650**	**3,603**	**739**	**5,290**	**299**	**18**

Files Opened by Category				Financing[6]			
Accidents Accepted and Compensated	Diseases Accepted and Compensated	Protective Reassignment[4]	Deaths, Occurred during the Year[5]	Employers' Files[7]	Assessments[8]	Average Estimated Payroll[9]	Assessment rate[10]
					(millions $)		
17,274	98	21	19	22,060	226.00	2,248	10.05
1,912	29	115	1	476	13.53	624	2.16
5,392	57	10	10	3,093	48.29	657	7.35
2,617	47	15	10	605	44.69	629	7.10
11,776	73	57	3	2,512	52.58	992	5.30
4,924	56	54	1	1,398	19.90	366	5.44
4,694	47	198	7	526	16.99	408	4.16
7,510	105	44	3	508	37.38	1,005	3.71
3,757	41	19	4	146	35.19	816	4.30
3,774	36	17	3	560	27.04	375	7.21
8,523	66	154	7	2,424	85.74	3,826	2.24
12,938	440	282	2	1,436	59.92	1,388	4.31
5,837	53	98	1	1,588	19.31	411	4.69
4,515	25	39	0	241	42.59	1,249	3.41
8,198	27	82	9	7,636	92.52	1,459	6.33
33,802	238	2,891	7	48,156	174.16	7,962	2.18
1,239	48	241	0	264	3.18	158	2.00
4,838	35	17	1	661	22.06	421	5.24
253	1	3	0	10	2.38	99	2.40
4,431	43	258	1	561	18.57	573	3.24
17,449	190	3,085	15	45,250	89.61	6,388	1.40
3,972	17	42	4	1,557	33.51	2,001	1.67
2,854	16	272	0	2,221	15.41	911	1.69
85	0	2	0	25	1.49	63	2.36
3,444	80	136	0	580	16.31	1,031	1.58
1,539	19	133	3	15,405	15.31	248	6.18
3,589	176	1,033	0	2,465	12.09	1,028	1.17
3,723	36	266	0	1,765	33.01	5,075	0.65
1,502	8	510	0	7,590	19.02	3,359	0.56
20,086	227	4,117	2	9,894	103.20	5,193	1.98
36	0	0	2	405	1.21	8	14.79
2,016	46	117	0	1,199	8.09	300	2.69
376	7	1,785[11]	11	-	-	-	-
4,563	42	0[11]	3	-	-	-	-
213,438[12]	2,429[12]	16,113	129	183,217	1,390.28	51,271	2.71

1. Files opened in 1988.
2. These data may include establishments that were no longer in operation, but for which the Commission had not yet received notice of closure or had not yet recorded the closure if it had been notified. By the same token, it does not include establishments which started operating some time before December 31, 1988, but for which the Commission had either not been notified of the opening, or had not yet recorded.
3. Source: Statistics Canada, Cat. No. 72-002, except for Agriculture, Hunting and Fishing, Public Administration, and Transportation and Storage. For these four sectors, this is an estimate based on the payroll and average income of victims of employment injuries.
4. Files opened under the right to protective reassignment for pregnant or breast-feeding workers.
5. Of these deaths, 117 are related to work accidents and 12 to occupational diseases. According to data compiled by the Commission's Prevention and Inspection Services, there were 108 fatal accidents in the workplace in 1988 causing 114 sudden deaths.
6. Assessed employers, including personal protection.
7. Financial files of employers whose assessment was at least $0.01 or that declared at least $1 in total payroll. This figure includes financial files of employers who operated for only part of 1988.
8. Assessments for 1988. Assessments do not include 1988 amounts collected for arrears dating from before 1988.
9. Final total payroll or estimate recorded in the files on March 2, 1989.
10. The average rate presented here is the percentage of assessments paid on the total payroll. It differs from the nominal rate set in July 1987 at $2.75 for the year 1988.
11. The claims for protective reassignment made by the workers of uninsured employers are included in the "unclassified files".
12. These figures include files opened during the year, and in which a death was noted.

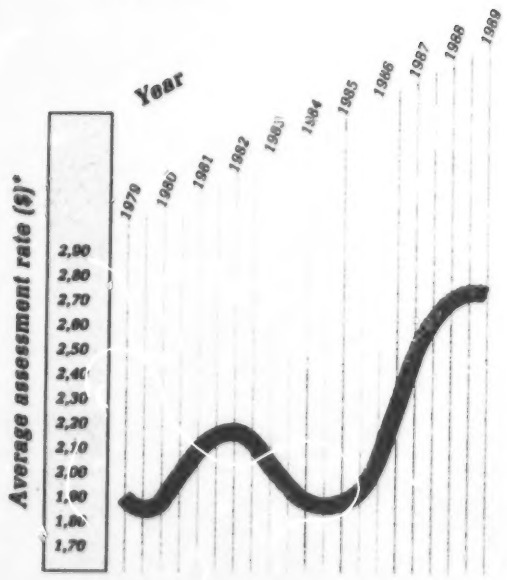
Statistics by Region (1988)

Regional Office of the Commission	Establishments	Prevention-inspection intervention[1]						
		Control	Assistance	Evaluation	Investigation	Complaint	Refusal	Dispute
Abitibi – Témiscamingue	5,436	379	2	341	46	160	9	3
Bas-Saint-Laurent	7,317	317	10	184	34	106	2	0
Côte-Nord	2,987	242	44	129	32	101	10	1
Estrie	8,873	690	60	136	46	244	19	1
Gaspésie – Îles-de-la-Madeleine	3,392	173	11	75	13	29	1	0
Île-de-Montréal	48,806	2,271	89	862	51	2,203	107	6
Lanaudière	9,207	455	14	91	23	95	7	0
Laurentides	10,752	649	84	110	32	300	24	0
Laval	7,019	324	7	74	49	194	5	0
Mauricie – Bois-Francs	15,822	240	196	506	31	213	19	0
Montérégie	30,238	1,457	54	262	108	603	45	5
Nouveau-Québec[5]	144	42	2	20	9	6	1	0
Outaouais	5,660	242	5	88	15	71	6	0
Québec	30,668	1,117	36	412	88	736	30	0
Saguenay – Lac-Saint-jean	8,619	439	45	313	162	238	14	0
Total	**194,940**	**9,037**	**659**	**3,803**	**739**	**5,299**	**299**	**16**

Prevention Mechanisms in Establisments			Files Opened, by Category			
Prevention Program[2]	Health and Safety Committee[3]	Safety Repre-sentative[3]	Accidents Accepted and Compensated	Diseases Accepted and Compensated	Protective Reassignment[4]	Deaths Occurred during the Year[5]
136	60	46	5,133	39	288	6
155	32	9	4,022	80	420	4
62	18	3	2,748	16	252	3
169	18	12	9,722	33	1,044	12
82	13	2	1,724	16	246	4
677	107	54	55,028	271	4,672	14
101	11	4	11,449	93	428	6
145	33	8	13,470	175	954	8
120	15	6	12,274	21	502	4
250	49	18	13,381	315	613	5
427	97	59	43,445	481	2,890	30
1	0	0				
106	18	12	4,739	21	416	3
522	150	46	29,930	777	2,651	16
193	55	34	6,373	91	737	14
3,146	**676**	**313**	**213,438**[7]	**2,429**[7]	**16,113**	**129**

1. Files opened in 1988.
2. In Group I, II and III establishments of 21 employees or more. Only programs submitted to the Commission are accounted for here.
3. In Group I and II establishments of 20 employees or more. Only committees and representatives for which the Commission received a notice of formation and appointment are accounted for here.
4. Files opened relating to the exercise of the right to protective reassignment for pregnant or breast-feeding workers.
5. Of these deaths, 117 are related to work accidents and 12 to occupational diseases. According to data compiled by the Commission's Prevention-Inspection Services, there were 108 fatal accidents in the workplace in 1988 causing 114 sudden deaths.
6. Files for employment injuries to Nouveau-Québec workers were opened in their area of residence.
7. These figures include files opened during the year, and in which a death was noted.

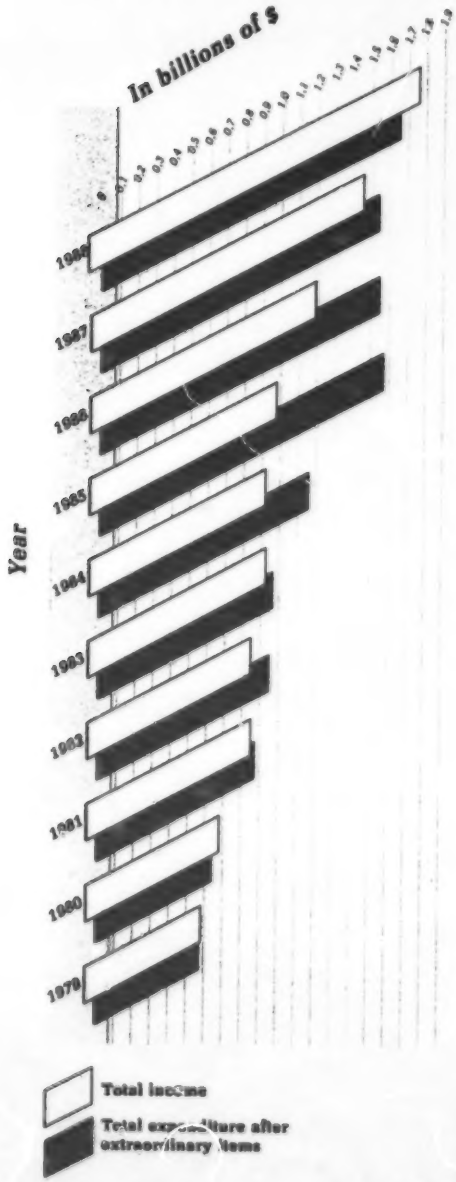
Evolution of the Average Assessment Rate, 1979 to 1989



* Nominal assessment rate for a year, as established during the previous year after various estimates. This rate does not necessarily correspond to the assessment actually collected after the fiscal year.

1979	1.91	1985	1.80
1980	1.68	1986	2.05
1981	2.10	1987	2.50
1982	2.15	1988	2.75
1983	2.00	1989	2.75
1984	1.68		

Total Income in Relation to Total Expenditure after Extraordinary Items, 1979-1988



Income and Expenditure and Other Financial Statistics (1979-1988)

Income and Expenditure (millions of $)

Income	1979	1980	1981*	1982*	1983	1984*	1985*	1986	1987	1988
Employer assessment	481.7	535.7	664.5	667.4	709.6	697.8	751.3	945.7	1,186.2	1,437.7
Investment income and interest on assessments	97.6	133.1	186.2	218.5	209.1	212.0	229.6	235.9	247.1	315.2
Other income	0.4	0.1	3.4	2.0	2.5	9.8	9.9	3.3	2.6	1.1
Total income	579.7	668.9	854.1	887.9	921.2	919.6	990.8	1,184.9	1,435.9	1,754.0
Expenditure										
Compensation programs	505.8	558.1	727.3	791.1	801.7	906.7	1,120.6	1,252.5	1,189.2	1,211.3
Protective reassignment of pregnant or breast-feeding workers program	—	—	7.4	14.3	11.6	19.5	29.9	32.2	37.3	39.2
Prevention programs	4.9	5.6	19.7	30.0	38.2	58.8	58.7	60.5	64.6	68.3
Administration expenses	44.3	52.7	86.3	94.9	88.4	105.4	109.4	119.5	114.9	140.5
Other costs	6.2	8.7	24.3	15.4	28.3	15.7	18.8	20.5	16.9	19.6
Total expenditure before extraordinary items	561.2	625.1	865.0	945.7	968.2	1,106.1	1,337.4	1,485.2	1,422.9	1,479.1
Extraordinary items	—	—	—	—	—	41.7	201.3	57.1	103.7	171.8
Total expenditure after extraordinary items	561.2	625.1	865.0	945.7	968.2	1,147.8	1,538.7	1,542.3	1,526.6	1,650.9
Excess (deficit) for the year	18.5	43.8	(10.9)	(57.8)	(47.0)	(228.2)	(547.9)	(357.4)	(90.7)	103.1
Represented by:										
Expenditure not financed according to the financing method provided for under the Act (R.S.Q., Chapter A-3.001 Section 284)						(168.2)	(189.1)	(239.3)	(292.8)	(298.5)
Balance of excess income over expenditure						(60.0)	(152.1)	(118.1)	202.1	401.6
Costs resulting from transitional provisions (Chapter XVI, Section II, R.S.Q., Chapter A-3.001)						—	(206.7)	—	—	—
						(228.2)	(547.9)	(357.4)	(90.7)	103.1

* According to the adjusted financial statements.

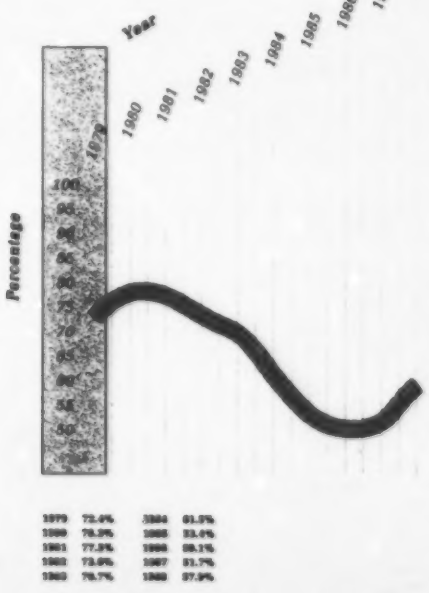
Other Financial Statistics (millions of $)

	1979*	1980	1981*	1982*	1983	1984*	1985	1986	1987	1988
Assets[1]	1,164.5	1,416.5	1,707.2	1,897.8	2,091.5	2,117.3	2,146.9	2,234.0	2,521.6	3,105.6
Cash and short-term deposits less outstanding cheques	68.6	52.4	109.6	121.4	41.8	(8.3)	1.8	(2.6)	220.0	350.2
Funds entrusted to C.D.P.Q.	954.6	1,219.4	1,440.6	1,650.0	1,865.0	1,941.5	1,944.3	1,998.7	2,052.5	2,540.6
Liabilities[2]	1,608.5	1,809.8	2,203.0	2,577.4	2,958.2	3,440.2	4,017.7	4,462.1	4,882.0	5,362.8
Actuarial reserve[2]	1,587.6	1,789.6	2,179.8	2,540.8	2,892.1	3,361.6	3,942.7	4,389.3	4,772.7	5,065.0
Unfunded liability[3]	444.0	393.3	495.8	679.6	866.7	1,322.9	1,870.8	2,228.1	2,360.4	2,257.3
Real insurable total payroll (billions of $)	25.6	29.0	33.3	34.6	37.1	40.4	42.7	45.6	48.8	52.3
Maximum annual insurable earnings	$20,000	$21,500	$23,500	$26,000	$29,000	$31,500	$33,000	$34,500	$35,500	$36,500
Average assessment rate (decreed)	$1.91	$1.89	$2.10	$2.16	$2.05	$1.89	$1.88	$2.05	$2.50	$2.75
Average assessment rate (actual)[4]	$1.85	$1.80	$1.94	$1.98	$1.89	$1.77	$1.79	$2.04	$2.41	$2.69
Capitalization of the Accident Fund	72.4%	78.3%	77.5%	73.6%	70.7%	61.5%	53.4%	50.1%	51.7%	57.9%

* According to the adjusted financial statements.

1. Adjusted for 1979 to 1982 inclusively to take into account posted costs transferred to the unfunded liability in 1983.
2. Adjusted for 1979 to 1982 inclusively to take into account the gap between the mathematical and notional reserve recorded in the books in 1983.
3. Adjusted for 1979 to 1982 inclusively to take into account posted costs transferred to the unfunded liability in 1983 as well as the gap between the mathematical and notional reserve recorded in the books in 1983.
4. This rate is established on the basis of the actual total payroll estimated at the end of the fiscal year for the purposes of the production of the financial statements.

Evolution of the Commission's Rate of Capitalization (1979-1988)



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